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United Nations

Financial report and audited financial statements

for the 12-month period
from 1 July 2007 to 30 June 2008

and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

General Assembly
Official Records
Sixty-third Session
Supplement No. 5

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Official Records
Sixty-third Session
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and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Contents

Chapter *Page*

Abbreviations ... xi

Letters of transmittal ... xiii

I. Financial report on the United Nations peacekeeping operations for the period from 1 July 2007 to 30 June 2008 ... 1

A. Introduction ... 1

B. Financial overview ... 1

C. Assessments ... 1

D. Status of unpaid assessments ... 2

E. Expenditures ... 4

F. Liquidity: available cash versus liabilities ... 5

G. Peacekeeping Reserve Fund ... 8

H. Support account for peacekeeping operations ... 9

I. United Nations Logistics Base at Brindisi, Italy ... 9

J. Liabilities for end-of-service and post-retirement benefits ... 9

Annex
Supplementary information ... 10

II. Report of the Board of Auditors ... 11

A. Introduction ... 21

1. Mandate, scope and methodology ... 21

2. Coordination with internal audit ... 22

B. Detailed findings and recommendations ... 22

1. Follow-up of previous recommendations of the Board ... 22

2. Requests by legislative bodies ... 22

3. Financial overview ... 23

4. Completed missions ... 31

5. Missions in liquidation ... 32

6. Support account for peacekeeping operations ... 32

7. Write-off of losses of cash receivables and property ... 36

8. Ex gratia payments 37
9. Results-based budgeting and management 37
10. Management of cash, receivables and payables 39
11. Procurement and contract management 40
12. Expendable property 56
13. Non-expendable property management 58
14. Strategic deployment stocks 63
15. Contingent-owned equipment 66
16. Vehicle fleet management 67
17. Rations management 71
18. Air operations 74
19. Information and communications technology 77
20. Human resources management 80
21. Integrated mission planning process 85
22. Quick-impact projects 87
23. Resident auditors 88
24. Cases of fraud and presumptive fraud 93
C. Acknowledgement 95

Annexes

I. Missions audited 96
II. Status of implementation of recommendations for the financial period ended 30 June 2007 98
III. Report of the United Nations Board of Auditors (audit opinion) 104
IV. Certification of the financial statements 106
V. Financial statements for the 12-month period from 1 July 2007 to 30 June 2008 107
Summary of United Nations peacekeeping operations 108
Statement I. Summary of United Nations peacekeeping operations: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 108
Schedule 1.1. United Nations peacekeeping operations: summary of expenditure for active peacekeeping operations for the period from ! July 2007 to 30 June 2008 as at 30 June 2008 110
Statement II. Summary of United Nations peacekeeping operations: statement of assets, liabilities and reserves and fund balances as at 30 June 2008 112
Statement III. Summary of United Nations peacekeeping operations: statement of cash flows for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 115

Active peacekeeping operations

Statement IV. United Nations Peacekeeping Force in Cyprus (UNFICYP): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 117

  Schedule 4.1. United Nations Peacekeeping Force in Cyprus: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 120

Statement V. United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 121

  Schedule 5.1. United Nations Disengagement Observer Force: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 124

Statement VI. United Nations Interim Force in Lebanon (UNIFIL): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 125

  Schedule 6.1. United Nations Interim Force in Lebanon: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 128

Statement VII. United Nations Mission for the Referendum in Western Sahara (MINURSO): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 129

  Schedule 7.1. United Nations Mission for the Referendum in Western Sahara: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 132

Statement VIII. United Nations Observer Mission in Georgia (UNOMIG): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 133

  Schedule 8.1. United Nations Observer Mission in Georgia: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 135

Statement IX. United Nations Interim Administration Mission in Kosovo (UNMIK): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 136

  Schedule 9.1. United Nations Interim Administration Mission in Kosovo: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 138

Statement X. United Nations Organization Mission in the Democratic Republic of the Congo (MONUC): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 139

Schedule 10.1. United Nations Organization Mission in the Democratic Republic of the Congo: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 141

Statement XI. United Nations Mission in Ethiopia and Eritrea (UNMEE): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 142

Schedule 11.1. United Nations Mission in Ethiopia and Eritrea: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 144

Statement XII. United Nations Mission in Liberia (UNMIL): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 145

Schedule 12.1. United Nations Mission in Liberia: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 147

Statement XIII. United Nations Operation in Côte d'Ivoire (UNOCI): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 148

Schedule 13.1. United Nations Operation in Côte d'Ivoire: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 150

Statement XIV. United Nations Stabilization Mission in Haiti (MINUSTAH): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 151

Schedule 14.1. United Nations Stabilization Mission in Haiti: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 153

Statement XV. United Nations Mission in the Sudan (UNMIS): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 154

Schedule 15.1. United Nations Mission in the Sudan: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 156

Statement XVI. United Nations Integrated Mission in Timor-Leste (UNMIT): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 157

Schedule 16.1. United Nations Integrated Mission in Timor-Leste: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 159

Statement XVII. United Nations Mission in the Central African Republic and Chad (MINURCAT): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 160

Schedule 17.1. United Nations Mission in the Central African Republic and Chad: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 162

Statement XVIII. African Union/United Nations Hybrid Operation in Darfur (UNAMID): statement of income and expenditure and changes in reserves and fund balances for the period from 31 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 163

Schedule 18.1. African Union/United Nations Hybrid Operation in Darfur: expenditure for the period from 31 July 2007 to 30 June 2008 as at 30 June 2008 165

Statement XIX. Technical Assessment Mission to the African Union Headquarters and Somalia: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 166

Schedule 19.1. Technical Assessment Mission to the African Union Headquarters and Somalia: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 168

Special purpose accounts

Statement XX. Peacekeeping Reserve Fund: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 169

Statement XXI. Support account for peacekeeping operations: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 171

Schedule 21.1. Support account for peacekeeping operations: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 174

Statement XXII. United Nations Logistics Base (UNLB) at Brindisi, Italy: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 175

Schedule 22.1. United Nations Logistics Base, Brindisi: expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 177

Statement XXIII. After-service health insurance for peacekeeping operations: statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 178

Completed peacekeeping operations

Statement XXIV. United Nations Operation in Burundi (ONUB): statement of income and expenditure and changes in reserves and fund balances for the period from 21 April 2004 to 31 December 2006 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 180

Statement XXV. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL): statement of income and expenditure and changes in reserves and fund balances for the period from 13 July 1998 to 31 December 2005 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 182

Statement XXVI. United Nations Transitional Administration in East Timor (UNTAET)/ United Nations Mission of Support in East Timor (UNMISET): statement of income and expenditure and changes in reserves and fund balances for the period from 1 December 1999 to 20 May 2005 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 184

Statement XXVII. United Nations Iraq-Kuwait Observation Mission (UNIKOM): statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 186

Statement XXVIII. United Nations Mission in Bosnia and Herzegovina (UNMIBH): statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 188

Statement XXIX. United Nations Mission of Observers in Tajikistan (UNMOT): statement of income and expenditure and changes in reserves and fund balances for the period from 16 December 1994 to 15 May 2000 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 190

Statement XXX. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH): statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1996 to 15 March 2000 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances at 30 June 2008 192

Statement XXXI. United Nations Mission in the Central African Republic (MINURCA): statement of income and expenditure and changes in reserves and fund balances for the period from 15 April 1998 to 15 February 2000 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 194

Statement XXXII. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM): statement of income and expenditure and changes in reserves and fund balances for the period from 3 January 1989 to 26 February 1999 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 196

Statement XXXIII. United Nations Preventive Deployment Force (UNPREDEP): statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 15 October 1999 as at 30 June 2008 and statements of assets, liabilities and reserves and fund balances as at 30 June 2008 198

Statement XXXIV. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group: statement of income and expenditure and changes in reserves and fund balances for the period from 15 January 1996 to 30 November 1998 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 200

Statement XXXV. United Nations Observer Mission in Liberia (UNOMIL): statement of income and expenditure and changes in reserves and fund balances for the period from 22 September 1993 to 30 June 1998 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 202

Statement XXXVI. United Nations Peace Forces (UNPF): statement of income and expenditure and changes in reserves and fund balances for the period from 12 January 1992 to 30 June 1997 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 204

Statement XXXVII. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA): statement of income and expenditure and changes in reserves and fund balances for the period from 15 February to 31 May 1997 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 206

Statement XXXVIII. United Nations Mission in Haiti (UNMIH): statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 208

Statement XXXIX. United Nations Assistance Mission in Rwanda (UNAMIR) and United Nations Observer Mission to Uganda-Rwanda (UNOMUR): statement of income and expenditure and changes in reserves and fund balances for the period from 22 June 1993 to 19 April 1996 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 210

Statement XL. United Nations Observer Mission in El Salvador (ONUSAL): statement of income and expenditure and changes in reserves and fund balances for the period from 7 November 1989 to 31 May 1995 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 212

Statement XLI. United Nations Operation in Mozambique (ONUMOZ): statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 214

Statement XLII. United Nations Operation in Somalia (UNOSOM): statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 216

Statement XLIII. United Nations Military Liaison Team in Cambodia (UNMLT): statement of income and expenditure and changes in reserves and fund balances for the period from 15 November 1993 to 15 November 1994 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 218

Statement XLIV. United Nations Transitional Authority in Cambodia (UNTAC): statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 220

Statement XLV. United Nations Transition Assistance Group (UNTAG): statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 222

Statement XLVI. United Nations Iran-Iraq Military Observer Group (UNIIMOG): statement of income and expenditure and changes in reserves and fund balances for the period from 9 August 1988 to 31 March 1991 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 224

Statement XLVII. Special Account for the United Nations Emergency Force (UNEF) 1956: statement of income and expenditure and changes in reserves and fund balances for the period from 5 November 1956 to 30 June 1967 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 226

Statement XLVIII. Ad Hoc Account for the United Nations Operation in the Congo (ONUC): statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2008 and statement of assets, liabilities and reserves and fund balances as at 30 June 2008 228

Notes to the financial statements for peacekeeping operations for the period from 1 July 2007 to 30 June 2008 230

Annexes

I. Peacekeeping operations funded by the regular budget: status of appropriations by major object of expenditure for the six-month period of the biennium 2008-2009 ended 30 June 2008 243

II. Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2008 244

Abbreviations

AMIS	African Union Mission in the Sudan
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
SDS	Strategic deployment stocks
UNAMID	African Union/United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Programme
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia

UNMIS	United Nations Mission in Sudan
UNMISET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission in Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti
UNTSO	United Nations Truce Supervision Organization

Letters of transmittal

13 February 2009

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2007 to 30 June 2008, which I hereby approve. The financial statements have been completed and certified by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **Ban** Ki-moon
Secretary-General

Mr. Terence Nombembe
Chairman of the Board of Auditors
United Nations
New York

13 February 2009

Sir,

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2008, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa
Chairman, United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Financial report on the United Nations peacekeeping operations for the period from 1 July 2007 to 30 June 2008

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 2007 to 30 June 2008. The present report highlights the financial results for the period ended 30 June 2008.

B. Financial overview

2. Table I.1 provides a financial overview of peacekeeping operations.

Table I.1
Financial highlights

	2007	*2008*	*Increase (decrease) (percentage)*
	(Millions of United States dollars)		
Total assessments	**5 347.9**	**6 722.5**	**25.7**
Unpaid assessments[a]			
Active missions	707.5	1 018.9	44.0
Closed missions	553.7	557.6	0.7
Total expenditures	**5 148.1**	**6 265.8**	**21.7**
Liquidity: available cash less liabilities[a]			
Active missions	(196.4)	(333.2)	69.7
Closed missions	13.3	25.7	93.2

[a] 2007 is restated to reclassify ONUB as a closed mission.

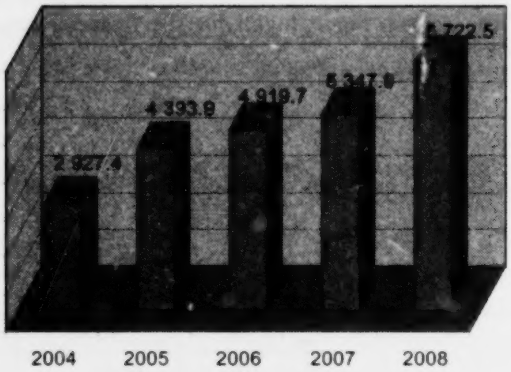
3. Fiscal year 2007/08 assessments rose by 25.7 per cent and expenditures rose by 21.7 per cent. Unpaid assessments increased by 44.0 per cent, mainly for UNAMID. As a result of the increase in unpaid assessments and other changes in receivable and payable balances, overall liquidity in the active missions declined by $136.8 million.

C. Assessments

4. Total assessments rose by 25.7 per cent, from $5,347.9 million in the previous fiscal year to $6,722.5 million in the current fiscal year. The increase was largely attributable to the start-up of UNAMID and MINURCAT as well as the build-up in UNIFIL. These increases were partially offset by decreases in assessments for UNMIS and the closure of ONUB.

5. Figure I.1 illustrates the trend in the assessments for peacekeeping operations for fiscal year 2007/08 and the four preceding fiscal years.

Figure I.1
Assessments for United Nations peacekeeping operations
(Millions of United States dollars)

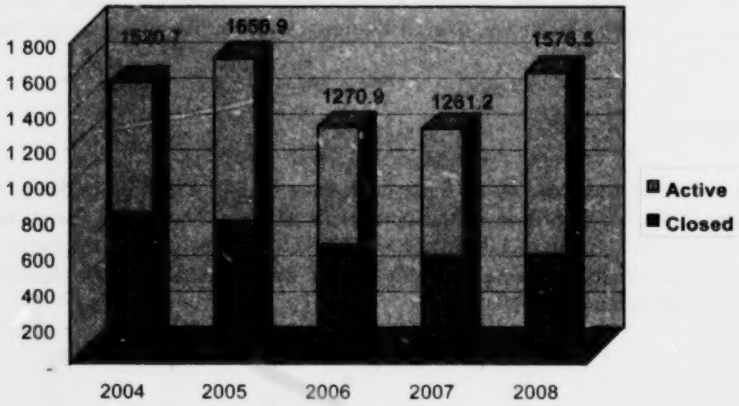


D. Status of unpaid assessments

6. The unpaid assessments pertaining to active peacekeeping missions increased by 44.0 per cent from $707.5 million at the end of 2006/07 to $1,018.9 million at the end of 2007/08. Unpaid assessments pertaining to closed missions changed marginally, from $553.7 million to $557.6 million, for the same period. The overall level of unpaid assessments increased to $1,576.5 million.

7. Figure I.2 illustrates the trend in the unpaid assessments for peacekeeping operations for 2007/08 and the four preceding fiscal years.

Figure I.2
Unpaid assessments for United Nations peacekeeping operations
(Millions of United States dollars)



8. Table I.2 provides the status of unpaid assessed contributions for each of the United Nations peacekeeping operations as at the end of the current period and the four preceding financial periods.

Table I.2

Unpaid assessed contributions as at 30 June 2008

(Millions of United States dollars)

Mission	*30 June 2004*	*30 June 2005*	*30 June 2006*	*30 June 2007*	*30 June 2008*
Active missions[a]					
UNFICYP	14.9	14.2	16.1	13.2	19.1
UNDOF/UNEP	15.9	12.0	16.6	11.0	13.2
UNIFIL	62.8	51.5	60.5	145.9	137.0
MINURSO	42.5	43.6	48.8	43.9	48.5
UNOMIG	8.2	7.6	12.2	6.8	10.3
UNMIK	98.4	77.6	51.0	42.2	46.0
MONUC	61.7	279.0	124.0	170.3	137.8
UNMEE	25.1	36.0	22.4	8.4	17.3
UNMIL	245.1	51.5	57.0	63.5	28.0
UNOCI	95.8	94.2	41.4	24.9	41.1
MINUSTAH	49.0	76.5	49.9	79.5	76.5
UNMIS	—	161.9	147.7	62.1	29.3
UNMIT	—	—	—	22.2	11.9
MINURCAT	—	—	—	—	44.7
UNAMID	—	—	—	—	344.6
UNLB — SDS	13.6	13.6	13.6	13.6	13.6
Subtotal	**733.0**	**919.2**	**661.2**	**707.5**	**1 018.9**
Closed missions[a]					
ONUB	49.6	90.3	31.1	3.4	2.0
UNAMSIL/UNOMSIL	108.6	54.3	14.8	7.3	6.8
UNMISET	80.5	55.4	36.8	25.0	33.1
UNIKOM	5.4	4.7	0.8	0.7	0.7
UNMIBH	37.6	35.8	35.5	35.3	35.2
UNMOT	0.1	—	—	—	—
UNSMIH/UNTMIH/MIPONUH	19.5	19.5	19.5	19.4	19.4
MINURCA	35.7	35.6	35.6	35.6	35.6
MONUA/UNAVEM	36.4	35.9	35.8	35.4	35.4
UNPREDEP	1.4	1.3	1.3	1.3	1.3
UNTAES	9.4	9.1	9.0	8.8	8.9
UNOMIL	0.1	0.1	0.1	—	—
UNPF	151.0	149.5	149.4	144.5	144.1
MINUGUA	0.2	0.2	0.1	0.1	0.1

Mission	*30 June 2004*	*30 June 2005*	*30 June 2006*	*30 June 2007*	*30 June 2008*
UNMIH	0.6	0.2	0.2	0.1	0.1
UNAMIR/UNOMUR	10.5	7.6	1.7	1.5	1.5
ONUSAL	2.7	2.1	2.1	2.1	0.4
ONUMOZ	18.7	18.3	18.2	16.9	16.9
UNOSOM	60.4	59.5	59.4	58.6	58.4
UNMLT	—	—	—	—	—
UNTAC	42.7	41.8	41.8	41.2	41.2
UNTAG	0.1	—	—	—	—
UNIIMOG	—	—	—	—	—
UNEF (1956)	42.6	42.6	42.6	42.6	42.6
ONUC	73.9	73.9	73.9	73.9	73.9
Subtotal	**787.7**	**737.7**	**609.7**	**553.7**	**557.6**
Total	**1 520.7**	**1 656.9**	**1 270.9**	**1 261.2**	**1 576.5**

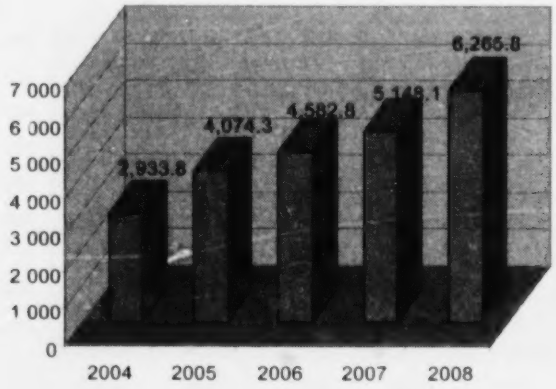
[a] Classification of active and closed missions is as at 30 June 2008; prior years have been reclassified accordingly.

E. Expenditures

9. Expenditures for the current fiscal year rose by 21.7 per cent, from $5,148.1 million in the previous fiscal year to $6,265.8 million. The net increase was mainly due to the start-up of UNAMID and MINURCAT and the expansion of UNIFIL, which were partially offset by the reduced expenditures for UNMIS.

10. Figure I.3 illustrates the trend in total expenditures for all peacekeeping operations for 2007/08 and the four preceding fiscal years.

Figure I.3
Expenditures for United Nations peacekeeping operations
(Millions of United States dollars)



F. Liquidity: available cash versus liabilities

1. Active missions

11. Table I.3 summarizes the available cash and liabilities for each active peacekeeping mission as a measure of liquidity, and provides a comparison to 2006/07.

Table I.3
Available cash versus liabilities as at 30 June 2008: active missions
(Millions of United States dollars)

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2008 (1)-(2)*	*Excess/(shortfall) 30 June 2007*
UNFICYP	2.7	(22.6)	(19.9)	(16.5)
UNDOF/UNEP	16.6	(12.1)	4.5	10.4
UNIFIL	340.7	(272.7)	68.0	(81.3)
MINURSO	1.5	(24.2)	(22.7)	(16.9)
UNOMIG	2.1	(4.6)	(2.5)	(0.2)
UNMIK	4.3	(54.8)	(50.5)	(36.8)
MONUC	157.2	(243.6)	(86.4)	(125.5)
UNMEE	27.0	(30.6)	(3.6)	0.1
UNMIL	161.6	(152.7)	8.9	12.9
UNOCI	69.7	(101.3)	(31.6)	6.6
MINUSTAH	37.3	(104.1)	(66.8)	(46.0)
UNMIS	308.9	(278.0)	30.9	83.9
UNMIT	38.2	(39.5)	(1.3)	14.1
MINURCAT	99.9	(130.7)	(30.8)	(1.2)
UNAMID	623.78	(751.0)	(127.2)	—
AMISOM	—	(2.2)	(2.2)	—
Total	**1 891.5**	**(2 224.7)**	**(333.2)**	**(196.4)**

[a] Sum of cash and term deposits and the cash pool.
[b] Represents total liabilities.

12. Table I.3 shows deterioration in the liquidity of the active peacekeeping missions, mainly in the start-up missions, UNAMID and MINURCAT. In addition, MINURSO, UNOMIG, MINUSTAH and UNMIK required borrowings in 2007/08 from closed missions in order to meet their immediate operational requirements (see table I.6).

13. Table I.4 indicates the most recent claim period for which payments for troops, formed police units and contingent-owned equipment had been made by 30 June 2008.

Table I.4

Status of payments for troops, formed police units and contingent-owned equipment as at 30 June 2008

Mission	*Troops and formed police units paid up to*	*Contingent-owned equipment paid up to*
UNFICYP	May 2007	March 2006
UNDOF/UNEF	May 2008	March 2008
UNIFIL	May 2008	March 2008
MINURSO	March 2002	December 2001
UNOMIG	Not applicable	December 2006
UNMIK	November 2007	June 2004
MONUC	May 2008	March 2008
UNMEE	May 2008	March 2008
UNMIL	May 2008	March 2008
UNOCI	May 2008	March 2008
MINUSTAH	May 2008	March 2008
UNMIS	May 2008	March 2008
UNMIT	May 2008	March 2008
MINURCAT	Not applicable	Not applicable
UNAMID	May 2008	None

2. Closed missions

14. Table I.5 summarizes cash available and total liabilities for all closed missions. Missions with cash surpluses totalled $207.0 million, and missions with cash deficits totalled $181.3 million. These positions were largely unchanged from the preceding year.

Table I.5

Available cash versus liabilities as at 30 June 2008: closed missions

(Millions of United States dollars)

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2008 (1)-(2)*	*Excess/(shortfall) 30 June 2007*
Mission with cash surpluses				
ONUB	76.5	70.9	5.6	24.3
UNAMSIL	109.1	94.0	15.1	6.1
UNMISET	13.0	10.6	2.4	(19.4)
UNIKOM	5.6	2.3	3.3	2.9
UNMIBH	20.9	6.6	14.3	13.2
UNMOT	5.4	2.4	3.0	2.7
MONUA/UNAVEM	23.5	—	23.5	20.7
UNPREDEP	18.1	7.5	10.6	9.7

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2008 (1)-(2)*	*Excess/(shortfall) 30 June 2007*
UNTAES	22.8	8.8	14.0	12.8
UNOMIL	8.0	3.2	4.8	4.4
UNPF	88.3	41.0[c]	47.3	62.1
UNMIH	51.7	28.7	23.0	18.4
UNAMIR/UNOMUR	29.4	3.9	25.5	24.0
ONUSAL	6.3	2.7	3.6	1.6
ONUMOZ	0.8	—	0.8	0.5
UNMLT	0.3	0.1	0.2	0.1
UNTAG	17.1	12.0	5.1	4.1
UNIIMOG	4.9	—	4.9	4.7
Subtotal	**501.7**	**294.7**	**207.0**	**192.9**
Mission with cash deficits				
UNSMIH/UNTMIH/MIPONUH	0.2	7.5	(7.3)	(7.4)
MINURCA	0.1	23.9	(23.8)	(23.8)
MINUGUA	—	0.1	(0.1)	(0.1)
UNOSOM	4.3	19.7	(15.4)	(16.5)
UNTAC	1.2	41.2	(40.0)	(40.2)
UNEF (1956)	—	47.5	(47.5)	(44.6)
ONUC	—	47.2	(47.2)	(47.0)
Subtotal	**5.8**	**187.1**	**(181.3)**	**(179.6)**
Total	**507.5**	**481.8**	**25.7**	**13.3**

[a] Sum of cash and term deposits and the cash pool.

[b] Total liabilities, including surplus to be transferred from UNPF and UNMIH of $29.6 million and $14.1 million, respectively.

[c] Excludes deferred credits of $127.4 million, being expenditures reimbursable by Member States.

15. Closed missions with cash surpluses continue to be the only available source of lending to active peacekeeping missions. During the current period, UNPF provided loans amounting to $72.0 million to MINURSO ($24.0 million), UNOMIG ($10.0 million), MINUSTAH ($20.0 million) and UNMIK ($18.0 million). Total loans outstanding as at 30 June 2008 amounted to $37.6 million. The comparable amount as at 30 June 2007 was $18.1 million. Details of these loans and repayments are shown in table I.6 below.

Table I.6

Loans from closed missions

(Millions of United States dollars)

To	*From*	*Opening balance, 1 July 2007*	*Loan amount*	*Amount repaid*	*Closing balance, 30 June 2008*	*Month loaned*	*Month repaid*
MINURCA	UNMIH	3.2	—	—	3.2	August 1999	—
UNSMIH	UNMIH	9.4	—	2.0	7.4	August 1999	August 2007
MINURSO	UNPF	0.5	—	0.5	—	July 2006	December 2007
MINURSO	UNPF	2.5	—	2.5	—	December 2006	December 2007
MINURSO	UNPF	2.5	—	2.5	—	November 2006	January 2008
MINURSO	UNPF	—	3.0	3.0	—	August 2007	January, March 2008
MINURSO	UNPF	—	6.0	3.5	2.5	August 2007	March 2008
MINURSO	UNPF	—	4.0	3.5	0.5	December 2007	June 2008
MINURSO	UNPF	—	4.0	—	4.0	March 2008	—
MINURSO	UNPF	—	4.0	—	4.0	May 2008	—
MINURSO	UNPF	—	3.0	—	3.0	June 2008	—
UNOMIG	UNPF	—	4.5	4.5	—	October 2007	January, March 2008
UNOMIG	UNPF	—	2.0	2.0	—	March 2008	March, April 2008
UNOMIG	UNPF	—	3.5	3.5	—	May 2008	June 2008
MINUSTAH	UNPF	—	10.0	10.0	—	October 2007	November 2007
MINUSTAH	UNPF	—	10.0	10.0	—	November 2007	November 2007
UNMIK	UNPF	—	5.0	5.0	—	December 2007	January 2008
UNMIK	UNPF	—	13.0	—	13.0	June 2008	—
Total		**18.1**	**72.0**	**52.5**	**37.6**		

G. Peacekeeping Reserve Fund

16. In 2007/08, loans totalling $35.0 million were made to provide start-up funds for UNAMID during the period from December 2007 to early February 2008. These loans were repaid in late February 2008. In addition, loans totalling $3.0 million were made to MINURCAT in January 2008, which were repaid in February 2008. Start-up loans totalling $2.0 million were made to the Technical Assessment Mission to the African Union Headquarters and Somalia in June 2008 and remained outstanding as at 30 June 2008.

17. As at 30 June 2008, the Fund had working capital funds of $150.0 million and a cumulative surplus of $7,792,200. Under the terms of General Assembly resolution 62/250, $469,600 of the cumulative surplus representing the excess balance for the period ended 30 June 2007 will be applied to meet the requirements of the support account for peacekeeping operations for 2008/09, and the remaining surplus balance of $7,322,600, representing the excess balance for the period ended

30 June 2008, is available for future utilization in accordance with the General Assembly resolution.

H. Support account for peacekeeping operations

18. Total expenditures rose by $44.8 million, from the $177.7 million reported in 2006/07 to $222.5 million in the current period. The increase was mainly due to higher expenditures for civilian personnel, reflecting the overall growth in peacekeeping operations.

I. United Nations Logistics Base at Brindisi, Italy

19. UNLB manages, inter alia, surplus assets from closed or downsized missions, and strategic deployment stocks. Strategic deployment stocks with an estimated replacement value of $77.2 million were shipped to various peacekeeping and political missions during 2007/08, thereby generating funds for replenishment. Expenditures for replenishment amounted to $55.4 million. The reported value of the strategic deployment stocks as at 30 June 2008 was $96.9 million, including $9.3 million for expendable property. This included stocks valued at $16.8 million that were shipped but not yet received by the missions and stocks valued at $11.8 million that were committed for shipment to missions. Therefore, the value of strategic deployment stocks available for immediate deployment was $59.0 million.

J. Liabilities for end-of-service and post-retirement benefits

20. The total accrued liabilities for peacekeeping operations for the end-of-service and post retirement benefits totalled $519.8 million, comprising $57.5 million for unused vacation days, $52.4 million for repatriation benefits and $409.9 million for after-service health insurance benefits. The liabilities for unused vacation days and repatriation benefits are shown on individual financial statements, whereas the liabilities for after-service health insurance are shown altogether in statement XXIII.

21. The overall United Nations liabilities for after-service health insurance as at 31 December 2007 were determined through an actuarial valuation. Of the total accrued liability of $2,430.9 million, an amount of $389.6 million was apportioned to peacekeeping operations. This amount was rolled forward to 30 June 2008, and after-service health insurance liabilities as at that date pertaining to peacekeeping operations were estimated to be $409.9 million.

Annex

Supplementary information

1. The present annex provides supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 106.8, losses of cash and receivables amounting to $30,824 were written off during the period ended 30 June 2008. A summary statement of losses was provided to the Board of Auditors in compliance with financial rule 106.8.

Write-off of losses of property

3. In accordance with financial rule 106.9, property with an original cost of $11,076,530 was written off during the period ended 30 June 2008. The breakdown was as follows:

	Original cost (United States dollars)
Damages/accidents	3 864 150
Losses/thefts	809 355
Malfunctioning equipment	5 632 243
Inventory discrepancies and other	773 782
Total	**11 076 530**

4. The write-offs bring the recorded balances of properties to the same levels as those shown in the property records for the actual quantities on hand.

5. The original cost of all non-expendable property on hand as at 30 June 2008 was $1,561,938,000, as also reported in note 13 to the financial statements. A summary statement showing the values of non-expendable equipment as well as property write-offs was provided to the Board of Auditors in accordance with financial rule 106.9.

Chapter II

Report of the Board of Auditors

Summary

The Board of Auditors has audited the United Nations peacekeeping accounts and operations for the financial period ended 30 June 2008. The audit was carried out through field visits to 15 active missions and the United Nations Logistics Base (UNLB) at Brindisi, Italy, and a review of peacekeeping financial transactions and operations at Headquarters including the Peacekeeping Reserve Fund, the support account, and 25 completed missions.

The Board issued a modified audit report with two emphases of matter paragraphs on the financial statements for the period under review, as reflected in chapter III. The first relates to non-expendable property. While improvements were noted in relation to physical counting procedures carried out by the Administration, there were significant discrepancies at the various missions when comparison was made between the results of the physical counts and the balances shown in the asset records. There was also evidence of surplus assets held at a number of missions. If these deficiencies are not addressed in a timely manner, they will continue to have an adverse impact on the ability of missions to effectively manage assets under their control.

The second emphasis of matter relates to expendable property. Paragraph 49 (iv) of the United Nations system accounting standards provides for the disclosure of inventories. Note 13 of the financial statements only disclosed strategic deployment stocks valued at $9.31 million as expendable property. However, the total value of unused expendable property at peacekeeping missions recorded in the Galileo system amounted to $436.92 million as at 30 June 2008. This was not disclosed in the notes to the financial statements and several discrepancies were observed during our physical stock counts. The Administration explained that expendable property relating to strategic deployment stocks was disclosed on an exceptional basis in order to give a full picture of strategic deployment stocks holdings. This disclosure was not extended to include all expendable property, because of practical difficulties of obtaining reliable expendable property data before implementation of new systems. Further practices vary across the United Nations system. The Board is of the view that the accurate recording and disclosure of the value of all expendable property in the financial statements would improve transparency, accountability and financial reporting. It would also improve management practice aimed at maximizing controls and minimizing risk.

For 2006/07, the Board had issued an emphasis of matter in relation to the cancellation of prior year unliquidated obligations. For the financial period under review, the Board noted some improvements in relation to the cancellation of these obligations. The Board believes ongoing review and further improvement on management of unliquidated obligations would enhance the quality of financial reporting.

Follow-up of previous recommendations of the Board

In response to a request of the Advisory Committee on Administrative and Budgetary Questions, the Board evaluated the ageing of its previous recommendations that had not yet been fully implemented and has indicated the financial periods in which such recommendations were first made. Of the 44 partially implemented and 5 unimplemented recommendations, 26 (53 per cent) relate to 2006/07; 9 (19 per cent) to 2005/06; 6 (12 per cent) to 2004/05; 7 (14 per cent) to 2003/04; and 1 (2 per cent) to 2001/02. The Board noted a decrease in the implementation rate compared to the previous year.

Contributions in kind

The Board reviewed contributions in kind as requested by the Advisory Committee on Administrative and Budgetary Questions. For 2007/08, voluntary contributions in kind reported in the financial statements of four missions totalled $8.66 million. However, the facilities provided under status-of-forces/mission agreements or agreements with Member States totalling $4.64 million during the financial period under review were not disclosed in the financial statements. The Board recommends that the Administration review its policy for disclosure of contributions in kind, in order to enhance the financial reporting.

Income and expenditure

For the period under review, total income was $6.88 billion, compared with $5.51 billion[1] for the previous year, an increase of 25 per cent. Total expenditure amounted to $6.27 billion, compared with $5.15 billion for the previous year, an increase of 22 per cent. This resulted in an excess of income over expenditure of $610 million, compared with an excess of $360 million in the preceding year.

Assessed contributions receivable

As at 30 June 2008, the assessed contributions receivable amounted to $1.58 billion, compared with $1.26 billion as at 30 June 2007, giving an increase of 25 per cent. The increase was mainly attributed to the 45 per cent increase of unpaid assessments of active peacekeeping missions, from $693.87 million as at 30 June 2007 to $1.01 billion as at 30 June 2008. The assessed contributions outstanding for more than two years amounted to $609.42 million as at 30 June 2008, representing 39 per cent of the total assessed contributions receivable.

The Administration continued with its previously stated policy of not making a provision for delays in the collection of outstanding assessed contributions. The Board maintains its view that such a provision would ensure that the amount shown as accounts receivable would be more realistically stated.

Unliquidated obligations

Unliquidated obligations as at 30 June 2008 amounted to $1.39 billion, representing 22 per cent of total expenditure and an increase of 43 per cent from $973.50 million in 2006/07. The increase was mainly due to unliquidated obligations amounting to $601 million in the newly established UNAMID.

The Board reviewed the cancellation of unliquidated obligations as requested by the Advisory Committee on Administrative and Budgetary Questions and noted the decline in cancellations over the previous three fiscal years. However, the Board also noted that, at some missions, the criteria for the creation of obligations were not strictly adhered to.

End-of-service liabilities

As at 30 June 2008, the end-of-service liabilities (excluding after-service health insurance) amounted to $109.93 million. Of that amount, $57.55 million related to unused annual leave credits while $52.38 million represented repatriation benefits. The Board noted that some annual leave balances used in the computation of the accrued end-of-service liabilities were not accurate. This highlights the need for reconciliations to be carried out between the attendance records of the human resources sections and the finance offices.

After-service health insurance

In accordance with General Assembly resolutions 60/255 and 61/264, the Administration started to reflect the liabilities for after-service health insurance in the financial statements for 2006/07. As at 30 June 2008, the liabilities for after-service health insurance amounted to $409.89 million. This amount was rolled forward from the amount of $389.62 million determined by the actuarial valuation as at 31 December 2007.

Implementation of International Public Sector Accounting Standards

The General Assembly, in its resolution 60/283, approved of the implementation of the International Public Sector Accounting Standards. The accounting and financial reporting of United Nations peacekeeping operations are the responsibility of the United Nations Secretariat. Therefore, the implementation of Standards by United Nations peacekeeping operations would need to be synchronized with that of the United Nations Secretariat.

The latest information obtained indicates that the United Nations Secretariat would be unable to implement the Standards in 2010 as initially planned. The Administration indicated that the likely date for implementation of the Standards would now be 2012 due to delays in the acquisition of a new enterprise resource planning system. The Board stresses the importance of ensuring that timelines for the completion of the various implementation activities are strictly enforced.

Support account for peacekeeping operations

The Advisory Committee on Administrative and Budgetary Questions requested the Board to undertake an analysis of how the support account for peacekeeping operations has evolved to its current application and configuration, and how it may further evolve (A/59/736). The Committee also requested the Board to undertake an analysis of the support account (A/60/807) taking into consideration the Administration's report on the matter. At the time of reporting, however, the Administration report was not available. Nonetheless, the Board undertook its own analysis of the configuration of the support account, and noted that there was no defined formula to show the relationship between the level and complexity of peacekeeping operations and the level of the support account.

Write-off and disposals of assets

As at 30 June 2008, there were 39,333 items of assets pending write-off and disposal for peacekeeping operations, some of which had been pending for over two years. There was also evidence of delays in the write-off and disposals at various missions.

Results-based budgeting and management

Several missions were not in full compliance with the requirements as contained in the results-based budgeting guidelines to ensure that: (a) indicators of achievement and outputs were specific, measurable, attainable, realistic and time-bound; and (b) actual results recorded in the performance report were substantiated by the portfolio of evidence. This matter was raised in the Board's previous report and, despite this, there was unsatisfactory progress.

Procurement and contract management

A number of deficiencies were identified in relation to acquisition planning, procurement lead time, technical evaluation, ex-post facto cases and contract awarding. These deficiencies are likely to have an adverse impact on the fairness, transparency and integrity of the procurement process, and might expose the Organization to financial loss. Key areas of concern include:

(a) At Headquarters, due to the inadequate acquisition planning and market survey, a contract with a not-to-exceed amount of $250.35 million for logistics services was awarded to a vendor through the sole-source approach. Compared with a similar contract with the same vendor through competitive bidding, the management fee in the sole-source contract was significantly higher;

(b) Due to the late submission by the Department of Field Support (as well as urgent operational requirements, the Headquarters Committee on Contracts recommended the approval of a sole-source contract for catering services to UNAMID in the not-to-exceed amount of $12.02 million. For the same reason, the Headquarters Committee on Contracts also recommended the approval of the extension of the two systems contracts which exhausted not-to-exceed amounts of $4.74 million, instead of initiating a new competitive bidding process;

(c) At UNIFIL, due to an inadequate acquisition strategy for the provision of a catering service, the proposal to enter into a contract was twice rejected by the Headquarters Committee on Contracts. As at September 2008, the new dining hall was still idle after the completion of its construction in April 2008;

(d) In the Procurement Division, the procurement exercise for the provision of fuel lasted more than 600 days and had not yet been finalized at the time of the audit, while in the Department of Field Support the technical evaluation for the procurement of electrical materials lasted almost one year;

(e) The number of the ex post facto cases for review by the Headquarters Committee on Contracts increased by 34 per cent from 70 to 94, and the value involved increased by 274 per cent, from $86 million to $322 million. Sample tests carried out indicated that this was mainly due to inadequate procurement planning and contract management;

(f) The technical evaluation in some procurement cases was not in keeping with established practices. For example, at Headquarters, the evaluation criteria for one procurement case were changed after the issuance of solicitation documents. Similarly, at UNIFIL, a vendor who did not meet the mandatory requirements in the technical evaluation was awarded the contract;

(g) At UNMIS, the technical proposals and the financial proposals for a contract were opened at the same time, contrary to the requirements of the Procurement Manual. The contract was also awarded to a vendor with the second highest evaluation score without any reason being stated. In addition, the final contract value increased by 19.99 per cent from $2.45 million to $2.94 million, only 0.01 per cent lower than the threshold (20 per cent) required to be submitted to the Headquarters Committee on Contracts for review;

(h) In the Procurement Division, a performance bond for 424,659 euros for a contract had not been collected during its entire contract term of five years, even though the vendor had agreed to deduct the amount of the bond from the invoices submitted to the Organization. The Organization was therefore at risk in the event of unsatisfactory performance.

Expendable property

The total value of unused expendable property at peacekeeping missions amounting to $436.92 million as at 30 June 2008, was not disclosed in the financial statements. The Board is of the view that disclosure of the value of all expendable property in the financial statements would improve transparency, accountability and financial reporting. The Board also noted that there were some discrepancies between the results of physical counts and the balances shown in the databases, surplus assets and inadequate storage control of expendables.

Non-expendable property

Note 13 to the financial statements disclosed an amount of $1.56 billion as the value of the non-expendable property as at 30 June 2008. However, significant discrepancies were noted in comparing the results of physical verification at the financial year end with the balances shown in the Galileo system. There was also evidence of surplus assets being held at a number of missions as indicated by the high stock ratios.

Strategic deployment stocks

Included also in note 13 to the financial statements is an amount of $87.65 million representing the value of the strategic deployment stocks held at UNLB as of 30 June 2008. However, there were significant delays in the deployment and replenishment of such stocks. In addition, the current trigger mechanism for the strategic deployment stocks replenishment also contributed to a lengthy lead time and needs to be reviewed.

Vehicle fleet management

There were 22,104 vehicles in peacekeeping missions as at 30 June 2008. The CarLog system had not been fully implemented in all the missions. Also, the rotation and replacement policies for vehicles were not fully implemented at some missions, while the discrepancies in the use of vehicles continued to be noted. Further, UNAMID and MINURCAT did not have a strategic fuel reserve.

Rations management

Total expenditure of rations at peacekeeping missions amounted to $225.89 million for the financial period under review. The Board noted that the temperature requirement of rations storage was not met at some missions. In addition, the rations requisitions submitted at some missions were not based on actual feeding troop strength.

Air operations

For the financial period under review, total expenditure on air operations amounted to $583.46 million, of which $418.27 million related to aviation rental costs for peacekeeping missions, 6 per cent less than the budget. However, the actual flight hours amounted to 105,823 hours, 21 per cent less than the budgeted hours. The Board is of the view that an analysis needs to be carried out to ascertain the reason for this variation with a view to bringing about an improvement. The Board has also made observations about improvements needed to aviation safety, and processes for supplying and deployment of aircraft.

Information and communications technology

At UNLB, 67 per cent of the equipment rooms occupied by the Communications and Information Technology Section were containers or shelters where all the important servers and related equipment were running. This could affect smooth and consistent operation of the data centre and telecommunications hub of the United Nations. At MINURCAT, the disaster recovery and business continuity plan was drafted but was not finalized and tested, while at UNMIK, weaknesses in the application controls of the Mercury and Sun systems were noted.

Human resources management

The Board noted that the overall average vacancy rate in peacekeeping missions increased from 23 per cent in 2007 to 27 per cent in 2008. The average vacancy rate at the senior and middle levels from P-4 to D-2 in field missions was 36 per cent as at 30 June 2008. Further, the recruitment process of some missions was much longer than the maximum duration of 120 days. The Board is concerned that the high vacancy rates at the various missions could adversely affect the execution of their mandates. In addition, missions had not yet developed the human resource action plan for 2008/09 although the year had already progressed.

Integrated mission planning process

The integrated mission planning process guidelines had not yet been finalized. As a result, the Board was unable to assess the effectiveness of the guidelines, as requested by the Advisory Committee on Administrative and Budgetary Questions.

Quick-impact projects

At some missions, there was underutilization of financial resources of quick-impact projects within the budgeted cycle, and the projects were not completed within the agreed time frames. In addition, the guidelines for quick-impact projects were not finalized by the second quarter of 2008, the target date indicated by the Secretary-General.

Resident auditors

A significant number of audits planned by the Office of Internal Oversight Services resident auditors were not undertaken or completed. For 2007, of the 201 audits planned, only 65, or 32 per cent, were started and completed as at 31 December 2007. The Board is concerned about the high vacancy rate of 36 per cent for resident auditors, which delayed the completion of the audit plan.

Recommendations

The Board has made a number of recommendations based on its audit. The main recommendations are that the Administration and/or the mission(s):

(a) **Review its policy for disclosure of contributions in kind in order to enhance the financial reporting;**

(b) **Keep under review the possibility of creating a provision for delays in the collection of outstanding assessments, and thus provide accurate measurement and disclosure of long-outstanding assessed contributions receivable;**

(c) **Strictly comply with the requirements of the Financial Rules and Regulations of the United Nations and the Procurement Manual relating to the criteria for the creation of obligations;**

(d) **In the computation of accrued end-of-service liabilities in respect of unused annual leave, the finance offices of the various missions reconcile the unused annual leave balances of staff members with the attendance records maintained by the human resources sections;**

(e) **Expedite the preparation of the report on the backstopping requirements for peacekeeping operations and develop an approach to the determination of support account staffing requirements;**

(f) **Identify the causes for the delay in the write-off and disposal of non-expendable property, and take appropriate measures to expedite all pending write-offs and disposals;**

(g) **Take appropriate measures to ensure that all the indicators of achievement and outputs for the results-based-budgeting framework are formulated as specific, measurable, attainable, realistic and time-bound to facilitate monitoring and reporting;**

(h) **Develop a procurement strategy as early as possible, especially for start-up missions, and conduct adequate market survey before seeking the sole-source approach to ensure the transparency of procurement process;**

(i) **Negotiate with the vendor for the heavy support package for Darfur the management fee in the best interest of the United Nations and take into account the potential changes in contract value when establishing fixed price management fee contracts in future procurements;**

(j) **Carry out acquisition planning well in advance to allow due processes to take place in accordance with the requirements of the Procurement Manual and strengthen the monitoring of contracts to avoid extending contracts beyond the not-to-exceed amounts;**

(k) Develop an adequate acquisition strategy before the implementation of a complex procurement activity and expedite the procurement procedures for the catering service for the new dining hall in order to ensure that the building is put into use as soon as possible;

(l) Finalize the procurement process for the provision of fuel to the missions;

(m) Expedite the technical evaluation process in future procurement activities;

(n) Take appropriate measures to reduce the number of ex post facto cases submitted to the Headquarters Committee on Contracts for review;

(o) Observe the technical evaluation criteria and process under the terms of solicitation documents or inform all invitees of any changes in the evaluation criteria so as to ensure the fairness, integrity and transparency of the evaluation procedure;

(p) Observe the mandatory requirements of technical evaluation in the future;

(q) Adhere strictly to the requirement of the Procurement Manual and the Financial Rules and Regulations of the United Nations to open and evaluate the technical proposal first before considering the financial proposal and provide adequate justification in the related file where contracts are not awarded to the highest evaluated bidders;

(r) Review all procurement contracts involving peacekeeping operations to ensure strict compliance with the requirements of the Procurement Manual relating to obtaining performance bonds from vendors in order to protect the Organization from possible loss due to unsatisfactory performance or non-performance;

(s) Expedite all its preparations for the recording of expendable property and disclose its value in the financial statements at the end of the financial period;

(t) Ensure that, for future financial periods, full and complete physical verifications are carried out to support the amount of non-expendable property that is disclosed in the notes to the financial statements;

(u) Ensure that discrepancies are promptly investigated and corrective action is taken to avoid a recurrence;

(v) Expedite the review of non-expendable property at all missions to ascertain the realistic quantities that should be held;

(w) Ascertain the reasons for the delays in the deployment and replenishment of strategic deployment stocks and review the current replenishment trigger mechanism and related procedures with a view to facilitating more timely replenishment of strategic deployment stocks;

(x) Make every effort to have a fully functional CarLog system;

(y) Adhere strictly to the vehicle rotation and replacement policy as contained in the provisional surface transport manual procedures for the field, 2004;

(z) Maintain adequate stock levels of fuel for contingency purposes;

(aa) Comply strictly with the requirements for the storage of rations, including the installation of thermometers to monitor the temperature of rations;

(bb) Issue rations according to the actual troop feeding strength;

(cc) Undertake an analysis to ascertain the differences between the flight rental expenditures and those relating to actual flight hours at the various missions;

(dd) Take appropriate measures to utilize the amounts budgeted for rescue firefighting services and meteorological services;

(ee) Expedite the airport rehabilitation and deployment process, and ensure that there are sufficient aircraft in place to implement its mandate;

(ff) Evaluate the current Communications and Information Technology Services infrastructure arrangements with a view to improving the protection of the Services' equipment and to ensure the smooth and uninterrupted operations over the long term;

(gg) Finalize the disaster recovery and business continuity plan as soon as possible, and update it periodically;

(hh) Take urgent measures to fill vacancies in the missions to enable them to execute their mandates effectively;

(ii) Take appropriate measures to reduce recruitment lead times;

(jj) Establish human resources action plans as required by the Department of Peacekeeping Operations and the Department of Field Support;

(kk) Take steps to ensure that the integrated mission planning process guidelines are finalized as early as possible;

(ll) Carefully monitor all quick-impact projects so that projects are executed in a timely manner;

(mm) Take appropriate measures to expedite the completion of the guidelines relating to quick-impact projects and to ensure that they are implemented at all missions;

(nn) Carefully monitor the workplans of the resident auditors to ensure that the audits are executed and finalized in a timely manner;

(oo) Expedite the filling of all resident auditor posts to ensure effective internal audit coverage of all missions.

The Board's other recommendations appear in paragraphs 42, 78, 82, 85, 87, 90, 129, 138, 152, 160, 164, 174, 180, 181, 184, 187, 193, 199, 202, 206, 209, 231, 233, 238, 242, 246, 250, 259, 264, 267, 273, 280, 296, 307, 311, 314, 328, 332, 336, 342, 345, 351, 359, 369, 372, 374, 375, 379, 383, 392, 400, 403, 407, 416, 419, 421, 424, 429, 432, 439, 442, 467, 481 and 482. These recommendations do not address sanctions or disciplinary steps which the Administration may wish to impose on defaulting officials for consistent failure to ensure compliance with the Financial Regulations and Rules of the United Nations, administrative instructions and other related directives.

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[1] Restated to conform to the current presentation (excludes funding from reserves and fund balances of $29.02 million).

A. Introduction

1. Mandate, scope and methodology

1. The Board of Auditors has audited the financial statements and renewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2007 to 30 June 2008, in accordance with General Assembly resolution 74 (I). The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as with International Standards on Auditing. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of the United Nations peacekeeping operations as at 30 June 2008 and the results of operations and cash flows for the financial period then ended, in accordance with the United Nations system accounting standards. This included an assessment of whether the expenditures recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditures had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its audit coverage at Headquarters, 15 active field missions, UNLB, the accounts of 25 completed missions, the Peacekeeping Reserve Fund, the support account for peacekeeping operations and the peacekeeping after-service health insurance, as detailed in annex I.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of peacekeeping operations under financial regulation 7.5. This requires the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, and the internal financial controls and, in general, the administration and management of the peacekeeping operations. The General Assembly had requested the Board to follow up on previous recommendations and to report on them accordingly. This matter is addressed in paragraphs 10 to 13 below.

5. The Board continued to report the results of audits to the Administration in the form of management letters containing detailed observations and recommendations. This practice has allowed for ongoing dialogue with the Administration. In this regard, 16 management letters were issued covering the financial period under review.

6. The Board was yet to conduct a review of the restructuring of the peacekeeping operations as the restructuring was still in progress at the time when the audit was planned.

7. Where observations in the present report refer to specific missions, such observations are limited only to the missions specified. They do not in any way

imply that they are applicable to other missions, or that they may not exist at other missions.

8. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the report.

2. Coordination with internal audit

9. The Board continues to coordinate with the Office of Internal Oversight Services in the planning of its audits in order to avoid duplication of efforts and to determine the extent of reliance that could be placed on its work. The results of the Board's review of the resident auditor activities can be found later in this report.

B. Detailed findings and recommendations

1. Follow-up of previous recommendations of the Board

10. In accordance with section A, paragraph 7, of General Assembly resolution 51/225, the Board reviewed the actions taken by the Administration to implement the recommendations made in its reports for the financial period ended 30 June 2007.

11. Of the 72 recommendations made for 2006/07, 23 (32 per cent) were implemented, 44 (61 per cent) were partially implemented, and five (7 per cent) were not implemented. The Board noted a decrease in the implementation rate compared to the previous year. Details of the actions taken and the comments of the Board are included in the present report and summarized in annex II.

Ageing of previous recommendations

12. The Board evaluated the ageing of its previous recommendations that were partially or not yet implemented, as requested by the Advisory Committee on Administrative and Budgetary Questions (A/59/736, para. 8). The financial periods in which such recommendations were first made are indicated in annex II.

13. Of the 44 partially implemented and 5 unimplemented recommendations, 26 (53 per cent) relate to 2006/07; 9 (19 per cent) to 2005/06; 6 (12 per cent) to 2004/05; 7 (14 per cent) to 2003/04; and 1 (2 per cent) to 2001/02.

2. Requests by legislative bodies

14. During its examination of the Board's report on the peacekeeping operations for the year ended 30 June 2007, the Advisory Committee on Administrative and Budgetary Questions in its report (A/62/823), made a number of requests to the Board to undertake additional work. The results of these requests are reflected in the relevant sections of the present report. This is in addition to previous requests by the Committee, which are of a continuing nature.

3. Financial overview

Key financial ratios

15. As shown in table II.1, the financial situation remained relatively constant during the financial period ended 30 June 2008 compared with the previous period. The Board's main observation is the increasing ratio of unliquidated obligations to total liabilities, as is elaborated on later in the report.

Table II.1
Ratios of key financial indicators

Description of ratio	*Year ended 30 June*				*Component of 2008 ratio*[a]
	2005	*2006*	*2007*	*2008*	
Assessed contributions outstanding/total assets[b]	0.45	0.34	0.33	0.35	1576.50/4485.88
Cash/total assets[c]	0.48	0.59	0.59	0.59	2637.72/4485.88
Cash/liability (active missions, peacekeeping reserve fund, support account and UNLB)[d]	0.82	1.25	0.80	0.78	2130.11/2743.12
Cash/liability (closed missions)[d]	0.76	0.76	0.85	0.90	507.61/565.55
Unliquidated obligations/total liabilities[e]	0.62	0.57	0.37	0.44	1389.24/3168.53

Note: Based on the audited financial statements.

[a] In millions of United States dollars.

[b] A low indicator depicts a healthy financial position.

[c] A high indicator depicts a healthy financial position.

[d] A low indicator is a reflection that insufficient cash is available to settle debts.

[e] A high indicator is a negative reflection that less obligations are being liquidated.

Contributions in kind

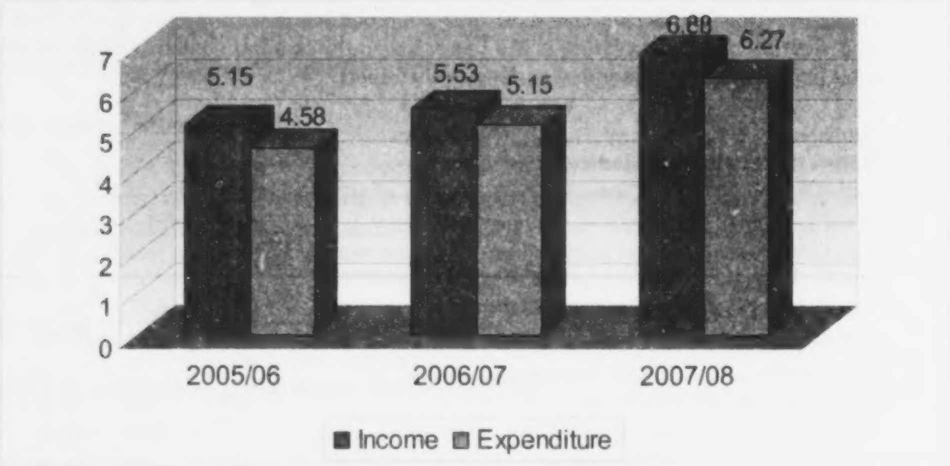
16. The Board examined contributions in kind in accordance with a request from the Advisory Committee on Administrative and Budgetary Questions (A/62/823, para. 9). During 2007/08, voluntary contributions in kind approved in the budget totalled $7.76 million. For the same period, voluntary contributions in kind reported in the footnotes to the financial statements of four missions totalled $8.66 million. In addition, UNFICYP and MINURSO, as well as UNLB, received facilities with a total value of $4.64 million as at 30 June 2008. These facilities were provided under status-of-forces/mission agreements or agreements with Member States in whose country peacekeeping operations are located. The Administration informed the Board that in accordance with accounting policies for voluntary contributions as stated in the notes to the financial statements, the value of facilities provided under the status-of-forces/mission agreements is not disclosed in the financial statements.

17. **The Board recommends that the Administration review its policy for disclosure of contributions in kind in order to enhance the financial reporting.**

Analysis of income and expenditure

18. Total income for the period under review was $6.88 billion, while total expenditures amounted to $6.27 billion, resulting in an excess of income over expenditure of $610 million. Comparative income and expenditure for 2005/06, 2006/07 and 2007/08 are shown in figure II.1.

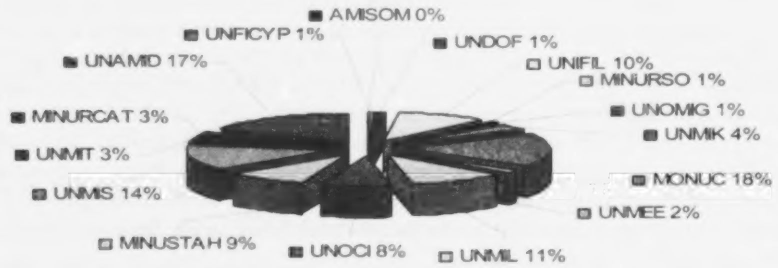
Figure II.1
Comparative income and expenditure
(Billions of United States dollars)



Note: Based on the audited financial statements.

19. The increase in expenditures of $1.12 billion, or 22 per cent, was attributable mainly to the establishment of UNAMID in 2007/08 ($1.06 billion), the expanded operations of MINURCAT (from $1.11 million in 2006/07 to $165.18 million in 2007/08) and UNIFIL (from $499.79 million in 2006/07 to $626.21 million in 2007/08). Figure II.2 shows the expenditures for active missions.

Figure II.2
Mission expenditure as a percentage of total expenditure



Note: Based on the audited financial statements.

20. Missions with a significant decline in expenditures attributable to a change in their mandates included UNMIS, ONUB and UNMEE. Their expenditures are reflected in table II.2.

Table II.2

Missions with significant decline in expenditure levels

(Thousands of United States dollars)

Mission	*Expenditures*		*Decrease*	*Percentage decrease*
	2007/08	*2006/07*		
UNMIS	861 514	1 037 023	175 509	17
ONUB	—	121 960	121 960	100
UNMEE	111 590	134 175	22 585	17

Note: Based on the audited financial statements.

Assessed contributions receivable from Member States

21. As at 30 June 2008, the assessed contributions receivable for the United Nations peacekeeping operations amounted to $1.58 billion, representing 35 per cent of the total assets and an increase of 25 per cent compared with the amount of $1.26 billion in 2006/07, as shown in table II.3. This increase in the assessed contributions receivable can be compared favourably to a corresponding increase in total income of $1.35 billion (24 per cent). The increase was mainly attributed to the 45 per cent increase of unpaid assessments of active peacekeeping missions, from $693.87 million as at 30 June 2007 to $1.01 billion as at 30 June 2008.

Table II.3

Assessed contributions receivable by mission

(Thousands of United States dollars)

	Financial year ended 30 June 2008			*Financial year ended 30 June 2007*	
	Amount	*Percentage to total*	*Percentage increase (decrease) compared with financial year ended 30 June 2007*	*Amount*	*Percentage to total*
UNFICYP	19 117	1.21	44.45	13 234	1.05
UNEF/UNDOF	13 238	0.84	20.44	10 991	0.87
UNIFIL	136 995	8.69	(6.12)	145 922	11.57
MINURSO	48 508	3.08	10.54	43 882	3.48
UNOMIG	10 335	0.66	52.86	6 761	0.54
UNMIK	45 982	2.92	8.97	42 195	3.35
MONUC	137 772	8.74	(19.09)	170 267	13.50
UNMEE	17 326	1.10	105.07	8 449	0.67
UNMIL	28 034	1.78	(55.84)	63 483	5.03
UNOCI	41 056	2.60	64.92	24 894	1.97
MINUSTAH	76 529	4.85	(3.68)	79 451	6.30
UNMIS	29 350	1.86	(52.74)	62 106	4.92
UNMIT	11 842	0.75	(46.74)	22 235	1.76

	Financial year ended 30 June 2008			*Financial year ended 30 June 2007*	
	Amount	*Percentage to total*	*Percentage increase (decrease) compared with financial year ended 30 June 2007*	*Amount*	*Percentage to total*
MINURCAT	44 665	2.83	—	—	0.00
UNAMID	344 605	21.86	—	—	0.00
Subtotal (active missions)	**1 005 354**	**63.77**	**44.89**	**693 870**	**55.02**
Subtotal (closed missions and special accounts)	**571 147**	**36.23**	**0.68**	**567 312**	**44.98**
Total	**1 576 501**	**100**	**25**	**1 261 182**	**100**

Note: Based on the audited financial statements.

22. Paragraph 33 of the United Nations system accounting standards states that "the organization may make a provision for delays in the collection of the outstanding contributions". However, note 2 (1) (iii) to the financial statements states that "it is the policy of the United Nations not to make provision for delays in collection of such assessments".

23. Through the age analysis of assessed contributions receivable for the past three fiscal years, the Board noted that, as at 30 June 2008, the assessed contributions receivable outstanding for more than two years amounted to $609.42 million, representing 39 per cent of the total assessed contributions receivable (table II.4). The percentages for 2005/06 and 2006/07 were both 47 per cent. While this indicates some progress in the collection of assessments, the percentage of assessed contributions receivable outstanding for more than two years remains relatively high.

Table II.4

Assessed contributions outstanding — age analysis

(Thousands of United States dollars)

	Financial year ended 30 June 2008		*Financial year ended 30 June 2007*		*Financial year ended 30 June 2006*	
	Amount	*Percentage to total*	*Amount*	*Percentage to total*	*Amount*	*Percentage to total*
Less than six months	609 342	38.65	557 136	44.18	437 455	34.42
Six months to one year	317 153	20.12	66 870	5.30	127 136	10.00
One to two years	40 584	2.57	42 800	3.39	112 138	8.82
More than two years	609 422	38.66	594 376	47.13	594 183	46.76
Total	**1 576 501**	**100**	**1 261 182**	**100**	**1 270 912**	**100**

Note: Based on the data of the financial statements.

24. The Administration commented that the Advisory Committee on Administrative and Budgetary Questions was of the opinion that assessed contributions were collectible until the General Assembly decided otherwise (A/51/533, para. 51). In addition, in its resolutions 61/233 B, paragraph 4, and 63/246, paragraph 8, the General Assembly had reiterated that the issue of outstanding assessed contributions was a policy matter of the General Assembly and had urged all Member States to make every possible effort to ensure the payment of their assessed contributions in full. Since the position of the General Assembly had been consistent on the issue, the Administration stated that it had no basis on which to consider a new policy.

25. The Board also noted that certain Member States had indicated that they did not intend to pay some of their assessed contributions or that such contributions would be paid only under certain conditions (note 4 to the financial statements). In view of the special nature of assessments, and the requirement of the United Nations system accounting standards, the Board is of the view that financial reporting could be improved if provision is made in the accounts to give recognition for delays in the collection of outstanding contributions and the likelihood of recoveries.

26. **The Board reiterates its previous recommendation that the Administration keep under review the possibility of creating a provision for delays in the collection of outstanding assessments, and thus provide accurate measurement and disclosure of long outstanding assessed contributions receivable.**

Unliquidated obligations

27. Unliquidated obligations as at 30 June 2008 amounted to $1.39 billion, representing 22 per cent of total expenditure and an increase of 43 per cent from $973.50 million in 2006/07. The increase was mainly due to unliquidated obligations valued at $601 million in the newly established UNAMID.

28. In the previous report of the Board (A/62/5 (Vol. II)), the Board emphasized its concern about the high incidence of cancellation of unliquidated obligations. The Advisory Committee on Administrative and Budgetary Questions in its report (A/62/823, para. 6) shared the concern expressed by the Board. In the current year, through the trend analysis of cancellation of unliquidated obligations, the Board noted the decline in cancellations over the previous three fiscal years, as shown in table II.5.

Table II.5

Cancellation of unliquidated obligations

(Millions of United States dollars)

Fiscal year	*2005*	*2006*	*2007*	*2008*
Unliquidated obligations	1 279	1 054	974	1 389
Total expenditures	4 074	4 583	5 148	6 266
Cancellation of prior period obligations	—	304.1	202.3	128.0
Cancellations as a percentage of the unliquidated obligations of the preceding year	—	24	21	13

Note: Based on the audited financial statements.

29. However, the Board noted that, at some missions, the criteria for the creation of obligations were not strictly adhered to, as detailed below:

30. At MINURCAT, 54 purchase orders and 3 miscellaneous obligation documents amounting to $5.86 million as at 30 June 2008 did not satisfy the recognition criteria under section 105.9 of the Financial Regulations and Rules of the United Nations and Part C.8.7 of the Procurement Manual (Rev.04, version November 2007).

31. At MINUSTAH, an amount of $0.29 million was cancelled because the Mission did not consult with the Ministry of National Education and the Government did not give the necessary authorization for the planned activities in the approved project document. The Ministry of National Education already had an agreement with another institution to do the rehabilitation of the same site. This indicates that an obligation raised was inappropriate since there was lack of communication and no authorization for the planned activities in the approved project document.

32. At UNMIS, an obligation of $19.63 million was raised on 30 June 2008 against the disarmament, demobilization and reintegration funds for construction work related to improvement of airfields. However, such funds should not be utilized for that purpose. At the request of the Headquarters, UNMIS closed the obligation for the financial period under review in August 2008.

33. At UNLB, two obligations aggregating to $1.16 million were raised in June 2008. However, the two corresponding contracts were signed in July 2008. In August 2008, the two obligations were cancelled at the request of the Headquarters because of insufficient funds.

34. **The Board recommends that the Administration ensure that MINURCAT, MINUSTAH, UNMIS and UNLB strictly comply with the requirements of the Financial Regulations and Rules of the United Nations and the Procurement Manual relating to the criteria for the creation of obligations.**

35. The Department of Management commented that the obligation of $0.29 million at MINUSTAH had been properly raised in 2006/07, but as the implementation of the project by the Government counterpart of MINUSTAH was blocked, MINUSTAH had to cancel the project, which led to the cancellation of the obligations.

End-of-service liabilities

36. By the end of 2007/08, the end-of-service liabilities amounted to $109.93 million (excluding after-service health insurance). Of that amount, $57.55 million related to unused annual leave credits and $52.38 million represented repatriation benefits. Table II.6 shows the end-of-service liabilities, by mission, as at 30 June 2008.

Table II.6

Annual leave and repatriation liabilities as at 30 June 2008

(Thousands of United States dollars)

Mission	*Annual leave*	*Repatriation benefits*	*Total end-of-service liabilities*
UNFICYP	1 433.94	799.30	2 233.24
UNDOF	729.83	922.79	1 652.62

Mission	*Annual leave*	*Repatriation benefits*	*Total end-of-service liabilities*
UNIFIL	5 245.38	5 136.67	10 382.05
MINURSO	659.11	1 205.06	1 864.17
UNOMIG	679.64	650.96	1 330.60
UNMIK	7 779.60	4 384.46	12 164.06
MONUC	4 989.88	6 946.24	11 936.12
UNMEE	952.90	1 156.32	2 109.22
UNMIL	3 635.21	3 514.48	7 149.69
UNOCI	3 201.29	2 969.30	6 170.59
MINUSTAH	3 617.23	2 961.29	6 578.52
UNMIS	6 972.61	3 727.24	10 699.85
UNMIT	1 499.58	1 747.37	3 246.95
MINURCAT	461.86	694.00	1 155.86
UNAMID	2 263.13	1 644.40	3 907.53
Technical Assessment Mission to the African Union Headquarters and Somalia	4.71	67.02	71.73
Active mission subtotal	**44 125.90**	**38 526.90**	**82 652.80**
UNLB	**1 842.62**	**848.72**	**2 691.34**
Support account	**11 569.07**	**12 961.31**	**24 530.38**
ONUB	15.29	43.80	59.09
Closed mission subtotal	**15.29**	**43.80**	**59.09**
Total	**57 552.88**	**52 380.73**	**109 933.61**

Note: Based on the audited financial statements.

37. At UNMIS, UNFICYP, UNDOF, UNAMID and UNOMIG the Board noted that the unused annual leave balances of some staff members used in computation of the accrued end-of-service liabilities were not accurate.

38. **The Administration agreed with the Board's recommendation that it ensure that, in the computation of accrued end-of-service liabilities in respect of unused annual leave, the finance offices of the various missions reconcile the unused annual leave balances of staff members with the attendance records maintained by the human resources sections.**

39. There was a difference of three months between the end of human resource annual leave cycle, which is 1 April, and the end of financial period, which is 30 June. Every month each staff member could obtain 2.5 annual leave days according to the Human Resource Handbook, so that a difference of three months would present another 7.5 days if the eligible staff did not use those days during April, May and June. Thus at the end of financial period, a staff member under 300 series might have a maximum of 37.5 unused annual leave days.

40. The Board noted that there was no uniform policy to deal with such time difference and the Headquarters and field missions applied different criteria to deal with the difference. As at 30 June 2008, Headquarters and four missions used a maximum of 37.5 days to compute the accrued annual leave liabilities of the 300 series staff, while other missions and UNLB used a maximum of 30 days to calculate the liabilities.

41. The Board is concerned that in respect of the impact of the time difference, if different criteria to compute the accrued annual leave liabilities existed among the Headquarters and field missions, which were to be combined and consolidated in the financial statements, the accrued annual leave liabilities might be misstated.

42. **The Administration agreed with the Board's recommendation that it: (a) issue a uniform policy for the computation criteria of unused annual leave to maintain consistency across accounting entities; and (b) verify the computation of end-of-service liabilities to ensure the accuracy of the balances shown in the financial statements.**

43. The Administration checked the accuracy of the liabilities reported in the financial statements and found that if a maximum of 30 days was used, the total liabilities would be reduced by $1.2 million, or 0.2 per cent lower than the end-of-service and post-retirement liabilities of the $519.8 million reported in statement II. The Administration considered the difference not to be material.

After-service health insurance liabilities

44. As requested by the Advisory Committee on Administrative and Budgetary Questions (A/62/823, para. 8), the Board continued its coverage of after-service health insurance. At the end of their service, eligible staff members are entitled to after-service health insurance coverage. Effective 30 June 2007, the liabilities for after-service health insurance have been reflected in the financial statements of peacekeeping operations.

45. The overall accrued after-service health insurance of the United Nations, as determined by actuarial valuation, amounted to $2.43 billion as at 31 December 2007, and the amount pertaining to peacekeeping operations was $389.62 million. The latter amount was rolled forward to 30 June 2008 and estimated at $409.89 million.

46. The major assumptions used by the actuary were a discount rate of 5.5 per cent; health-care escalation rates of 9.5 per cent in 2008, grading down to 5.0 per cent in 2015 and later years for United States medical plans, and 5.7 per cent in 2008, grading down to 4.5 per cent in 2012 and later years for medical plans outside the United States; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund in making its own actuarial valuation.

47. The accrued liability represents that portion of the present value of benefits that has accrued from the employee's date of hire until the valuation date. An active employee's benefit is fully accrued when that employee has reached the date of full eligibility for benefits. Thus, for retirees and active employees who are eligible to retire with benefits, the present value of future benefits and accrued liabilities are equal.

48. In the Board's report on the United Nations (A/63/5 (Vol. I), chap. II, paras. 64-67), the Board highlighted the fact that no specific assets existed to settle the after-service health insurance liabilities, and as a result, a shortfall existed in the reserves. The Board has commented about the funding of those liabilities in that report.

Implementation of International Public Sector Accounting Standards

49. On 30 November 2005, the High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB) recommended that all United Nations system organizations adopt the International Public Sector Accounting Standards effective no later than 2010. The General Assembly, in its resolution 60/283, approved the implementation of the Standards. The accounting and financial reporting of United Nations peacekeeping operations are the responsibility of the United Nations. Therefore, implementation of the Standards by United Nations peacekeeping operations may need to be synchronized with that of the United Nations Secretariat.

50. The latest information obtained indicates that the United Nations Secretariat would be unable to implement the International Public Sector Accounting Standards in 2010. The Administration indicated that the likely date for implementation of the Standards would now be 2012 due to delays in the acquisition of a new enterprise resource planning system. The Board stresses the importance of ensuring that timelines for the completion of the various implementation activities are strictly enforced.

51. The Board is of the view that the success of the implementation of the International Public Sector Accounting Standards is to a large extent dependent on the careful monitoring of the various milestones leading to its full implementation. Areas that require particular attention include revision of the Financial Regulations and Rules of the United Nations; consolidation, inventorization, reconciliation and valuation of all expendable and non-expendable property; computation and validating of the opening balances; testing of the proposed new enterprise resources planning system; and training of relevant staff.

4. Completed missions

52. The financial position of completed missions remained a matter of concern for the Board since there was a shortfall of cash to cover liabilities for 7 of the 25 completed missions, as shown in table II.7. Notwithstanding this, the total cash balances relating to the completed missions amounted to $507.61 million, while total liabilities amounted to $437.17 million. However, there were outstanding assessments totalling $557.56 million.

Table II.7
Assets and liabilities of completed missions
(Thousands of United States dollars)

Mission	*End of mandate*	*Cash* *(1)*	*Outstanding assessments* *(2)*	*Liabilities* *(3)*	*Surplus/(deficit)* *(1)-(3)*
ONUB	31 December 2006	76 514	1 998	70 885	5 629
UNAMSIL	31 December 2005	109 125	6 746	93 976	15 149

Mission	*End of mandate*	*Cash* *(1)*	*Outstanding assessments* *(2)*	*Liabilities* *(3)*	*Surplus/ (deficit)* *(1)-(3)*
UNMISET	20 May 2005	13 057	33 114	10 644	2 413
UNIKOM	October 2003	5 601	683	2 255	3 346
UNMIBH	December 2002	20 879	35 229	6 629	14 250
UNMOT	May 2000	5 374	12	2 407	2 967
MIPONUH	March 2000	181	19 422	7 481	(7 300)
MINURCA	February 2000	70	35 563	22 899	(22 829)
MONUA/UNAVEM	February 1999	23 476	35 346	1	23 475
UNPREDEP	February 1999	18 078	1 271	7 512	10 566
UNTAES	January 1998	22 858	8 846	8 810	14 048
UNOMIL	September 1997	8 002	36	3 227	4 775
UNPF	June 1997	88 287	144 140	11 314	76 973
MINUGUA	May 1997	37	146	162	(125)
UNMIH	July 1996	51 668	102	14 626	37 042
UNAMIR/UNOMUR	March 1996	29 455	1 495	3 912	25 543
ONUSAL	April 1995	6 288	373	2 677	3 611
ONUMOZ	December 1994	835	16 910	1	834
UNOSOM	March 1995	4 275	58 376	19 741	(15 466)
UNMLT	November 1994	268	—	107	161
UNTAC	March 1994	1 202	41 197	41 194	(39 992)
UNTAG	June 1991	17 141	21	12 033	5 108
UNIIMOG	June 1991	4 935	16	—	4 935
UNEF	June 1967	—	42 627	47 528	(47 528)
ONUC	June 1964	—	73 892	47 149	(47 149)
Total		**507 606**	**557 561**	**437 170**	**70 436**

53. The Board reiterates its previously held view that the intervention of Member States is necessary to settle obligations of all completed missions.

5. Missions in liquidation

54. There was no mission in liquidation during 2007/08. However, UNMEE has been in the liquidation phase since 31 July 2008 based on Security Council resolution 1827 (2008).

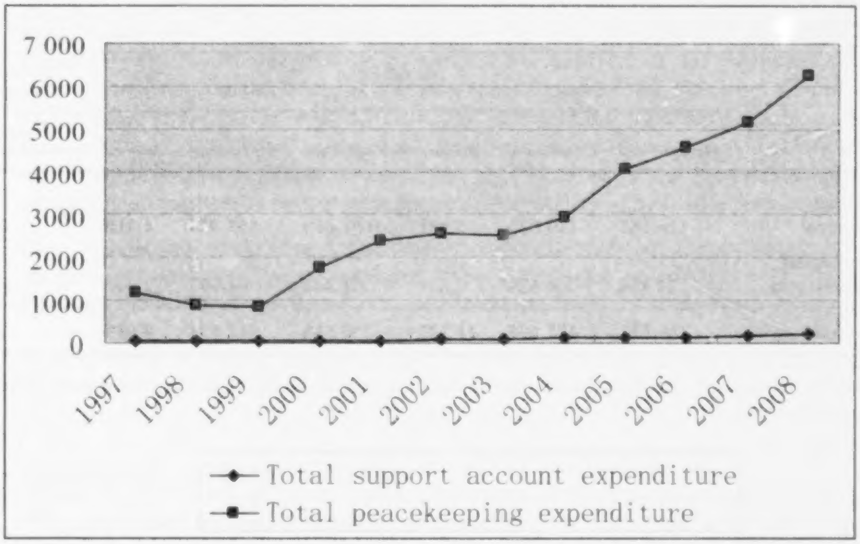
6. Support account for peacekeeping operations

55. The Advisory Committee on Administrative and Budgetary Questions requested the Board to conduct an analysis of how the support account for peacekeeping operations has evolved to its current application and configuration, and how it may further evolve (A/59/736). The Committee also requested the Board to undertake an analysis of the support account (A/60/807), taking into

consideration the Administration's report on the matter. At the time of reporting, however, the Administration's report was not available.

56. The support account was initially conceived to provide funding for overload posts necessary for the overall direction, assistance and guidance by departments, offices and other units at Headquarters to ensure the effective planning, implementation and liquidation of peacekeeping operations. Over the years, the resources required for financing of the support account had continuously increased. As indicated in figure II.3, the level of the support account for peacekeeping operations increased by 692 per cent, from $28.07 million to $222.45 million over the period 1997-2008, in comparison with an increase of 439 per cent over the same period for total peacekeeping costs. The support account cost as a percentage of total peacekeeping expenditure for 2007/08 was 4 per cent, compared with an average of 3 per cent over the period 1997-2008.

Figure II.3
Movements of the support account for peacekeeping operations
(Millions of United States dollars)



Note: Based on data in previous Board reports and data provided by the Office of Programme Planning, Budget and Accounts.

57. The support account's total appropriation for 2007/08 of $230.51 million was a 22 per cent increase over that of the previous period, with an increase in appropriations for posts of 39 per cent and a decrease in appropriations for non-posts of 5 per cent. Post resources accounted for 70 per cent of the total appropriation and the remaining 30 per cent pertained to non-post resources.

58. The increase in post resources was attributable to additional posts authorized for the current period to provide for backstopping to peacekeeping operations. In 2007/08, the number of authorized posts had increased to 1,314, or 281 per cent, from 345 in 1996/97, to provide backstopping for 17 missions. Of the 1,314 posts,

400 were new posts authorized for the current period, 88 were re-established posts, 7 were transferred from the regular budget and 819 were continuing posts.

59. Of the 400 newly established posts, 162, or 41 per cent, were in the Department of Peacekeeping Operations and 123, or 31 per cent, were in the Department of Field Support, which was due to the restructuring of the Department of Peacekeeping Operations and the establishment of the Department of Field Support. In addition, 77, or 19 per cent, newly raised posts were in the Office of Internal Oversight Services.

60. The support account's total expenditure for 2007/08 of $222.45 million is a 25 per cent increase over that of the previous period, with an increase in expenditure for civilian personnel of 39 per cent and an increase in expenditure for operational requirements of 1 per cent. Expenditure for civilian personnel accounts for 71 per cent of total expenditure and the remaining 29 per cent pertains to expenditure for operational requirements.

Table II.8

Support account for peacekeeping operations

(Thousands of United States dollars)

	2006/07			*2007/08*			*Percentage increase (decrease) in balance*	
	Appropriation	*Expenditure*	*Balance*	*Appropriation*	*Expenditure*	*Balance*	*Based on appropriation*	*Based on expenditure*
Civilian personnel	116 583	113 072	3 511	161 666	157 454	4 212	39	39
Operational requirements	72 434	64 623	7 811	68 844	64 997	3 847	(5)	1
Total	**189 017**	**177 695**	**11 322**	**230 510**	**222 451**	**8 059**	**22**	**25**

Note: Based on data in previous Board reports and data provided by the Office of Programme Planning, Budget and Accounts.

61. Table II.9 indicates the total number of military, police and civilian personnel at peacekeeping missions as well as support account staff. The percentage of civilian support staff to military staff for peacekeeping missions decreased from 57 per cent in 2000 to 21 per cent in 2007/08. The ratio of support account staff to total peacekeeping mission staff decreased by 9 per cent over the same period, and increased by 42 per cent in the last year. In comparison to military personnel, support account staff have risen to ratios not seen for three years.

Table II.9

Comparison of support staff to military and police personnel

	1999/00	*2000/01*	*2001/02*	*2002/03*	*2003/04*	*2004/05*	*2005/06*	*2006/07*	*2007/08*
Peacekeeping operations staff	34 738	54 269	61 683	52 879	59 948	78 965	82 034	95 789	107 402
Military and police personnel	22 112	39 815	46 467	40 123	46 545	64 334	67 638	78 090	88 754

	1999/00	*2000/01*	*2001/02*	*2002/03*	*2003/04*	*2004/05*	*2005/06*	*2006/07*	*2007/08*
Civilian staff in missions	12 626	14 454	15 216	12 756	13 403	14 631	14 396	17 699	18 648
Support account posts	467	562	687	702	743	761	831	819	1 314
Total	**35 205**	**54 831**	**62 370**	**53 581**	**60 691**	**79 726**	**82 865**	**96 608**	**108 716**
Percentage									
Civilian to military personnel	57.10	36.30	32.75	31.79	28.80	22.74	21.28	22.66	21.01
Support account staff to military personnel	2.11	1.41	1.48	1.75	1.60	1.18	1.23	1.05	1.48
Support account staff to total mission staff	1.34	1.04	1.11	1.33	1.24	0.96	1.01	0.86	1.22

Note: Based on data in previous Board reports and data provided by the Office of Programme Planning, Budget and Accounts.

62. The Board noted that there was no defined formula to show the relationship between the level and complexity of peacekeeping operations and the level of the support account. In its resolution 60/268, the General Assembly requested the Secretary-General to undertake a comprehensive analysis of the evolution of the support account, on the basis of the recommendation of the Advisory Committee and in close consultation with the Office of Internal Oversight Services. To address this, a team of consultants was tasked to undertake a study on the said relationship and to re-examine the support account not only in terms of the incremental growth in budget and personnel, but also in terms of the totality of available resources.

63. The Board noted that a preliminary external study of the evolution of the support account had been conducted. The Secretariat noted, however, that the findings and recommendations contained in the preliminary study were primarily of a theoretical nature and did not propose any new approach to the determination of support account staffing requirements. Furthermore, following the restructuring of the Department of Peacekeeping Operations and the establishment of the Department of Field Support, the Secretariat took the view that it was necessary to take a fresh look at the overall issue in the light of the structural and functional changes within the two departments.

64. The Board also noted that an external study on the evolution of the support account was currently in the process of being planned. Its terms of reference have been forwarded to the Procurement Division at the time of audit with a request to initiate the procurement process. The Administration expected that a report on the findings of a comprehensive analysis of the evolution of the support account for peacekeeping operations would be submitted to the General Assembly at its sixty-third session.

65. **The Administration agreed with the Board's recommendation that it: (a) expedite the preparation of the report on the backstopping requirements for peacekeeping operations; and (b) develop an approach to the determination of support account staffing requirements.**

7. Write-off of losses of cash, receivables and property

66. The Administration informed the Board that in accordance with financial rule 106.9, property losses of $11.07 million ($3.52 million in 2006/07) had been written off during 2007/08. In accordance with financial rule 106.8, losses amounting to $30,824 ($57,934 in 2006/07) had also been written off in respect of cash and accounts receivable. These included amounts considered irrecoverable, cash losses and overpayments.

Pending write-off and disposal

67. According to data provided by the Department of Field Support, up to 30 June 2008, there were 39,333 items of assets pending write-off and disposal, with total acquisition value of $110.77 million. The Administration indicated that it would seek to use cost-effective modalities to institute a timely write-off and disposal process. The Board noted that although there had been a reduction in the number of assets pending disposal a large number of assets were still pending write-off and disposal as at 30 June 2008. The Board also observed pending write-off and disposal at some missions, as follows:

(a) At MONUC, 1,998 items of assets were still pending disposal as at 30 June 2008 due to a limited number of disposals made during the year under review. Some 982 items of assets, amounting to 49 per cent of total quantity, had been pending for over two years;

(b) At UNMEE, 3,611 items of assets worth $11 million were pending write-off, including 75 items of assets worth $0.26 million that had been pending write-off for six months, and 2,391 items of non-expendable property worth $5.53 million that had already been approved for write-off, but had not been disposed. The pending write-off and disposal would influence the process of liquidation of UNMEE;

(c) At UNMIK, the Board identified the long lead time between the "actual written-off date" (date approved for write-off) and the "archiving date" (date disposed and removed from active inventory list) on the disposal list of non-expendable properties;

(d) At UNMIL, the Board noted significant delay in write-off and disposal of items. Some 675 items of assets on the Galileo system amounting to $2.95 million had been pending approval for disposal for a period longer than six months as at 30 June 2008; and 1,607 items of assets with total acquisition value of $6.15 million approved for disposal were yet to be disposed of and removed from the Galileo system. Some items had been pending disposal for more than 47 months.

68. The Board is concerned that the delays in write-off and disposal could result in additional storage and security cost, expose assets to the risk of theft and result in inaccurate financial statement disclosures. Furthermore, delaying disposal is likely to have a negative impact on the residual value or the selling price of the items.

Pending approval by Headquarters Property Survey Board

69. In its previous report, the Board reiterated that the Headquarters Property Survey Board expedite all cases brought to its attention, particularly with regard to assets that were pending write-off and disposal.

70. On the basis of data as at 20 October 2008 provided by the Department of Field Support, the Board noted that there were 544 items of assets amounting to $6.62 million pending disposal for Headquarters Property Survey Board approval, including 114 items of assets that had been pending disposal awaiting Board approval for more than 36 months.

71. At UNMIK, the Board noted that 25 items of assets amounting to $13.93 million were pending write-off and awaiting approval by the Headquarters Property Survey Board as at 30 June 2008. The assets had already received the approval of the Local Property Survey Board.

72. **The Board reiterates its previous recommendation that the Administration identify the causes for the delay in the write-off and disposal of non-expendable property, and take appropriate measures to expedite all pending write-offs and disposals.**

73. The Department of Field Support explained that it monitored the property records of field missions on a regular basis and had identified the areas of write-off and disposal as requiring greater efforts by field missions. In January 2008, the Department issued a directive on property control and accountability requiring the missions to focus on seven key performance indicators, including the need to expedite the write-off and disposal process. The disposal rate almost doubled on average for all missions in the number and value of assets disposed as at 30 June 2008.

74. The Administration explained that 95 per cent of cases submitted to the Headquarters Property Survey Board involved surcharges and not physical disposal. Therefore, any write-off action need not be held in abeyance pending Board review. The Headquarters Property Survey Board indicated that the remaining 5 per cent of the cases, especially those involving physical disposal and write-off action, would be processed expeditiously.

8. Ex gratia payments

75. As required by financial regulation 5.11, the Administration reported to the Board an ex gratia payment amounting to $4,000 in respect of peacekeeping operations for the period under review. The payment was made by UNDOF to a Syrian local who was injured in a motor accident at an UNDOF checkpoint.

9. Results-based budgeting and management

Indicators of achievement and outputs

76. The Board has continued its review of results-based budgeting in accordance with the interest of the Advisory Committee on Administrative and Budgetary Questions expressed in its report (A/62/823, para. 14). Paragraph 16 of the results-based-budgeting guidelines states that all elements of the logical frameworks are formulated as specific, measurable, attainable, realistic and time-bound. The Board noted, however, that at some missions this requirement was not strictly adhered to, as detailed below:

(a) At UNLB, the output of logistics services in respect of the receipt, inspection and dispatch of strategic deployment stocks was in need of improvement, as it was based on the original amount approved for acquisition. Furthermore, despite the claim of the Department of Field Support that it existed, there was no indicator of achievement reflecting the expected accomplishments of UNLB in strategic deployment stocks warehousing and maintenance in the results-based budgeting;

(b) At UNOMIG, several planned indicators of achievement and outputs were not accomplished;

(c) At UNMIL, some outputs were not specific and measurable. Due to the long time between the submission of the budget and the beginning of the financial year, some of the planned outputs were no longer useful or relevant and were thus not achieved.

77. The Board noted that the finding that the indicators of achievement were not specific, measurable, attainable, realistic and time-bound had recurred frequently in its previous audits. It is apparent therefore that the present efforts of the Administration have not been effective in addressing this problem across all missions. The absence of properly defined indicators of achievement and outputs would therefore continue to hamper the proper implementation of results-based budgeting.

78. **The Board recommends that the Administration: (a) consider identifying the root cause of the problem in establishing proper indicators of achievement; and (b) consider implementing an internal validation or quality control process for all indicators of achievement.**

79. **The Board reiterates its previous recommendation that the Administration ensure that UNLB, UNOMIG and UNMIL take appropriate measures to ensure that all the indicators of achievement and outputs for the results-based-budgeting framework are formulated as specific, measurable, attainable, realistic and time-bound to facilitate monitoring and reporting.**

80. The Department of Field Support concurred with the Board's recommendation relating to the results-based-budgeting framework of UNOMIG and UNMIL. UNOMIG had continued to refine its results-based-budgeting framework by reviewing the specific baselines and targets of the indicators of achievement and by quantifying clear outputs. UNMIL had offered two sessions on results-based-budgeting training, which included the development of clear and measurable indicators of achievement in the results-based-budgeting frameworks.

Portfolio of evidence

81. At UNMIL, the figures presented in the indicators of achievement for the military component could not be verified due to lack of proper handover between outgoing and incoming military staff. There were also no standard processes for the collection, compilation and reporting of results-based-budgeting data and data was collected on an ad hoc basis with different components using manual files, shared folders and e-mail correspondence. In addition, the budget memorandum required that all the portfolio of evidence files be reviewed by the Chief Budget Officer at least every six months. The Board also noted that only one review was done and only 9 out of 15 offices' portfolio of evidence were reviewed.

82. **The Administration agreed with the Board's recommendation that UNMIL: (a) implement proper handover procedures when there is an impending change in personnel; (b) institute standard processes for collection,**

compilation and reporting of results-based-budgeting data in all components; and (c) conduct half-yearly verification of portfolio of evidence for all components.

83. At UNMIK, a portfolio of evidence to substantiate the actual information in the 2007/08 performance report was not provided. For some indicators of achievement, the information/documentation provided by the results-based-budgeting focal points did not agree with actual indicators as presented in the performance report. In some cases, it was also not possible to determine whether the documented information in the performance report was correct due to a lack of adequate supporting documentation.

84. At UNOCI, it was not possible to verify some outputs listed in the performance report. The written evidence, which was supposed to appear in the reference document, was sometimes missing or incomplete.

85. **The Administration agreed with the Board's recommendation that it ensure that UNMIK and UNOCI: (a) properly substantiate all the actual numbers by the portfolio of evidence; and (b) compile and maintain at a central point a portfolio of evidence.**

86. At UNMIK, the Board followed up on its previous recommendation on the use of the Lotus Notes database system for information gathering. The Board noted that the Lotus Notes database system had been implemented and that the planned indicators of achievement and outputs for 2007/08 were recorded into the system for all three components. However, only the support component of the Mission had made use of the Lotus Notes database to record results-based-budgeting information and not all cost centres of the support component had attached the supporting documentation to the Lotus Notes database system to support the recorded information.

87. **The Administration agreed with the Board's reiterated recommendation that it ensure UNMIK reinforce the use of the Lotus Notes database system to gather information regularly throughout the financial period to enable the Mission to compile a portfolio of evidence to substantiate the performance report.**

10. Management of cash, receivables and payables

88. At UNMEE, included in the total receivable of $1.27 million as at 30 June 2008, $959,768, or 76 per cent, had been outstanding for more than two years. In addition, an amount of $534,105, or 74 per cent, of the balance of accounts payable was brought forward from 2006/07.

89. At MONUC, of the total accounts payable balance of $3.26 million as at 30 June 2008, $183,779, or 6 per cent, was outstanding for more than one year.

90. **The Administration agreed with the Board's recommendation that it ensure that UNMEE and MONUC take appropriate measures to settle these long-outstanding balances.**

11. Procurement and contract management

Procurement expenditure for peacekeeping operations

91. Under the peacekeeping operations budget for 2007/08, 15 active missions, UNLB and the Procurement Division at Headquarters issued 8,122 purchase orders amounting to $2.23 billion, as shown in table II.10.

Table II.10
Total number and value of purchase orders issued
(Thousands of United States dollars)

Mission	*Number of purchase orders*	*Value of purchase orders*
UNFICYP	323	8 793
UNDOF	67	1 574
UNIFIL	348	65 321
MINURSO	277	10 796
UNOMIG	70	1 470
UNMIK	219	15 644
MONUC	754	193 191
UNMEE	18	386
UNMIL	462	93 776
UNOCI	651	76 681
MINUSTAH	775	84 923
UNMIS	752	198 119
UNMIT	214	14 172
MINURCAT	188	14 760
UNAMID	332	336 508
UNLB	509	20 216
Subtotal	**5 959**	**1 136 330**
Procurement Division	2 163	1 096 156
Total	**8 122**	**2 232 486**

Note: Based on data from Mercury and data provided by the Procurement Division.

92. Included in the purchase orders valued at $1.14 billion recorded in the missions, $610 million was based on systems contracts issued by Headquarters. Therefore, during 2007/08, 77 per cent of procurement expenditure for peacekeeping operations was processed by the Procurement Division at Headquarters, while 23 per cent was handled locally by missions.

Systems contracts

93. Systems contracts are used for products and services required on a recurring basis and for an extended period of time, usually not to exceed five years. Such an arrangement allows the requisitioner to draw required products and services on a

"when and as required basis", without soliciting bids each time, and significantly reduces the procurement cycle duration. The Organization can also benefit from the consolidated bulk purchase.

94. During the period from 1 July 2007 to 30 June 2008, there were 214 valid systems contracts in the Procurement Division for peacekeeping operations. The total not-to-exceed amount was $4 billion involving six categories of goods and services as indicated in table II.11.

Table II.11

Main categories of goods and services provided by systems contracts

(Thousands of United States dollars)

Category	*Not-to-exceed amount*	*Percentage*
Field supply goods and services (fuel, ration, logistics services, etc.)	1 594 706	40
Communications and information technology	924 534	23
Engineering	629 672	16
Vehicles	446 835	11
Air charter service	304 807	8
Sea/surface freight forwarding and related services	96 795	2
Total	**3 997 349**	**100**

Note: Based on data provided by the Procurement Division.

95. Procurement is a systematic process that includes identification of needs, development of requirements, bidding and contract awarding. A successful procurement activity depends to a large extent on detailed acquisition planning and full coordination between requisitioners and procurement officers.

96. The Board noted some procurement cases with inadequate acquisition planning that resulted in inefficient or unsuccessful procurement activities, as detailed below.

Sole-source contract

97. On 15 October 2007, the Procurement Division signed a sole-source contract with a vendor for multifunctional logistics services in support of the heavy support package in Darfur on the basis of financial rule 105.16 (a) (vii) (exigency). The original not-to-exceed amount of the contract was $250.35 million for six months, plus two optional three-month extensions. The not-to-exceed amount was later decreased to $150 million.

98. To analyse whether proper planning was in place before the sole-source contract was sought, the Board reviewed the case files and noted that in a memorandum dated 4 December 2006 to the Controller, the Department of Field Support had stated that "The provision of a heavy support package to the African Union Mission in the Sudan has now been agreed ... ... Therefore, it is crucial for the United Nations to engage the vendor directly in order to ensure that they are available to continue to provide the support required and, if necessary, expand it to enable the delivery of the heavy support package". On 19 December 2006, the deployment of the heavy support package was approved by the Security Council in a

statement by the President (S/PRST/2006/55). It was not until 19 April 2007 that the Department of Field Support initiated the requisition procedure regarding the logistics support to the heavy support package and directly sought the Controller's approval for a sole-source contract with the vendor on the grounds of urgent deployment requirements.

99. The Board noted that, on one hand, a sole-source contract was sought because of the exigency of the situation while on the other hand, the Department of Field Support had spent almost three months in finalizing the scope of requirements, which had partly led to the lengthy procurement process. Furthermore, the contract execution had been delayed for more than two months. From minutes of the Headquarters Committee on Contracts, the Board noted the Procurement Division's explanation that the two months' delay was mainly attributed to a lack of budget, insufficient staff and essential personnel on sick leave.

100. The Board also noted that the vendor had been selected as a sole-source contractor without an adequate market survey being conducted by the Department of Field Support and the Procurement Division. Therefore, the award of the contract was not in keeping with the principle of transparency. The justification of the Department of Field Support to select the vendor was that it was "the only contractor on the ground in Darfur with the capability to support the deployment in a timely manner". However, there were no formal reports, analysis, assessment or research available showing that, before the selection of the vendor, the Department of Field Support and the Procurement Division had performed a sufficient market survey and had made efforts to explore the feasibility of other vendors such as those providing logistics services to UNMIS or AMIS at that time.

101. The Board considered that if the Department of Field Support, in collaboration with the Procurement Division, had planned the procurement strategy for the heavy support package in advance and had made a sufficient market survey instead of seeking the sole-source approach from the beginning, more vendors might have been invited and the procurement process could have been more transparent, fair and efficient.

102. In this sole-source contract, the vendor charged three kinds of fixed monthly management fees aggregating to $59.28 million for the 12 month contract period. Although the not-to-exceed amount decreased from $250.35 million to $150 million, the total management fee for the 12-month period remained unchanged at $59.28 million, accounting for 24 per cent of the original not-to-exceed amount and 40 per cent of the amended not-to-exceed amount. The Board compared the management fee in a contract which was awarded through competitive bidding to the same supplier for the provision of camp construction services for MINURCAT with a not-to-exceed amount of $129.21 million from 30 July 2008. The management fee in that contract became an integrated one covering the entire administrative costs with a total amount of $12.08 million for 12 months, accounting for 10 per cent of the not-to-exceed amount. The Board noted the significant difference between the management fee for the sole-source approach and the management fee for the competitive approach negotiated with the same supplier. The Board is concerned that the sole-source approach was prone to high prices due to a lack of competition, and was therefore not in the best financial interest of the Organization.

103. **The Board recommends that the Administration: (a) develop a procurement strategy as early as possible, especially for start-up missions; and**

(b) conduct adequate market surveys before seeking the sole-source approach to ensure the transparency of the procurement process.

104. The Department of Management explained that the major risk faced by the Secretariat in implementing the Security Council mandate for UNAMID was that failure to provide extensive facilities on the ground might result in the failure of the mission. The genesis of the recommendation to pursue a sole-source contract was the need to support the deployment of the heavy support package comprising 4,100 personnel in order to strengthen AMIS. This choice of a contract solution naturally brought with it some risks but these were judged less onerous than the risk of failing to provide facilities.

105. The Department of Management also explained that the exigencies of the requirement had dictated the speed of events and that the vendor had been operating in Darfur since 2004 and was considered a viable option available to the Organization in Darfur. In addition, for security reasons it was not possible for companies based in Khartoum and northern Sudan to operate in Darfur.

106. The Department of Field Support commented that although the heavy support package had been anticipated for some time, it was only finally approved by the Security Council in a letter from the President to the Secretary-General on 17 April 2007 (S/2007/212). Because of the complexity and uncertainty of the situation in Darfur, it was extremely difficult to finalize the scope of requirement for the heavy support package until mid-July 2007. The Department of Field Support further explained that, due to the urgent operational requirement, there had been insufficient time to conduct market research or issue an expression of interest. However, the Darfur planning team had visited the region on a number of occasions. The Board is of the view that since the Security Council had endorsed the heavy support package as early as December 2006, there was adequate opportunity for proper acquisition planning and adequate market survey regarding the logistics services to the heavy support package.

107. **The Board recommends that the Administration: (a) negotiate with the vendor for the heavy support package for Darfur the management fee in the best interest of the United Nations; and (b) take into account the potential changes in contract value when establishing fixed price management fee contracts in future procurements.**

108. The Department of Management commented that the negotiations had been completed in September and October 2008 and had resulted in a cost reduction in excess of $16 million. Furthermore, the charges had been taken into account when soliciting for the MINURCAT contract mentioned above; hence, all costs for management fees were based on a monthly variable rate and were determined on a task order mechanism.

109. The Department of Management also commented that the contract awarded to the vendor for MINURCAT was for construction only, whereas the contract for UNAMID was a multilogistics contract. Therefore, the nature of the services and the resulting offers presented by the vendor could not be objectively compared. However, the Board noted that the major service provided by the heavy support package contract was construction service. Also, the clauses in both of the contracts regarding the management fee indicated similar services.

110. The Board has not extended its procedures to include the use of extraordinary measures authorized by the Secretary-General for UNAMID, since, pursuant to General Assembly resolution 62/232 A, the Office of Internal Oversight Services was busy conducting such an audit. Its results, which are reflected in document A/63/668, concluded that "The extraordinary measures were not effective in facilitating the deployment of the African Union-United Nations Hybrid Operation in Darfur and exposed the United Nations to high financial and reputational risks".

Late submission for review

111. As required in the Procurement Manual, for any proposed award to a vendor exceeding $200,000, the procurement case shall be submitted to the Headquarters Committee on Contracts for review. The rule also applies to any proposed contract extension previously reviewed by the Headquarters Committee on Contracts, where the extension increases the contractual amount more than 20 per cent, or $200,000, whichever is lower.

112. On 31 December 2007, the Headquarters Committee on Contracts reviewed the submission regarding the provision of catering services to UNAMID for the period from 1 January to 31 March 2008. Due to the urgent operational requirement, the Headquarters Committee on Contracts had no choice but to recommend the approval of the submission in the not-to-exceed amount of $12.02 million. The Board noted that, when UNAMID was established in July 2007, the Department of Field Support had already known that the United Nations would take over the responsibility from the African Union for feeding the troops on 1 January 2008. However, the Department of Field Support at that time considered that the donor country would continue to fund the food service requirement until 31 March 2008. Therefore, the Department of Field Support did not make any preparation for the upcoming food service requirement until it was informed that the donor Government would cease funding the food service requirement in November 2007.

113. Another example of last minute submission was the systems contract extension for the provision of field defence items at Headquarters. The Board noted that the not-to-exceed amount for two contracts had been exhausted when the extension request was presented to the Headquarters Committee on Contracts on 22 March 2007. The exhaustion of the not-to-exceed amount meant the original contract had expired. Due to the urgent requirement, the Headquarters Committee on Contracts recommended the approval of the extension for the two contracts, increasing the not-to-exceed amount from $4.74 million to $7.40 million.

114. The Board also noted that one of the two contracts had been extended twice for one year each prior to the current extension. The Controller had required rebidding of the contract after the second extension. However, the Procurement Division and the Department of Field Support did not follow the Controller's instruction and extended the contract for the third time. Both the Department of Field Support and the Department of Management have provided the Board with extensive explanations for the delays.

115. The Board considered that inadequate acquisition planning was one of the reasons for the exigency of the situation at that time which led to the sole-source contract or contract extension. The Controller, in his note to the Headquarters Committee on Contracts regarding the catering services case, also raised the same

concern, that "In my view, the urgency of the matter stems from poor planning and is therefore not an exigency".

116. The Board is concerned that, due to the late submission of procurement cases, public competitive bidding had to be foregone. In addition, the sole-source approach or multiple extensions of contracts instead of new bidding would deprive other vendors of the right to do business and therefore would have a negative impact on the fairness, integrity and transparency of the procurement procedures.

117. **The Board recommends that the Administration: (a) carry out acquisition planning well in advance to allow due processes to take place in accordance with the requirements of the Procurement Manual; and (b) strengthen the monitoring of contracts to avoid extending contracts beyond the not-to-exceed amounts.**

Unsuccessful procurement case

118. At UNIFIL, the Board noted an unsuccessful procurement case for the provision of catering service in a new dining hall due to an inadequate acquisition strategy. At first, the construction of the dining hall and catering service were combined as one project for bidding. Due to their different nature, the Headquarters Committee on Contracts rejected the submission and requested UNIFIL to divide it into two projects for rebidding. During the rebidding of the catering service, the process from requisition to issuance of the request for proposal was lengthy, about six months. In addition, the source selection plan was inadequate since the points system was not applied in the technical evaluation and the evaluation benchmarks were vague and immeasurable. Because of the deficiencies in the evaluation process, the Headquarters Committee on Contracts recommended the rejection of the contract and requested the rebidding.

119. Up to September 2008, the Board noted that the new dining hall had been idle since the completion of construction in April 2008, due to the unsuccessful procurement for the catering service. The military contingents and United Nations staff still used the old and unsecured pre-fabricated dining buildings.

120. **The Board recommends that the Administration ensure that UNIFIL: (a) develop an adequate acquisition strategy before the implementation of a complex procurement activity; and (b) expedite the procurement procedures for the catering service for the new dining hall in order to ensure that the building is put into use as soon as possible.**

121. The Department of Field Support commented that UNIFIL, in conjunction with the Department, had undertaken a further procurement exercise for full catering services. The Local Committee on Contracts and the Headquarters Committee on Contracts had considered the case in November and December 2008, respectively. The Mission had commenced contract negotiations with the prospective vendor with the aim of full mobilization in March 2009.

Processing time delays at Headquarters

122. The Procurement Manual provides that acquisitions shall be duly initiated and processed to fulfil the requirement on a timely basis as goods and service not delivered on time might result in the delayed delivery of mission mandates. The Procurement Manual also defines the standard timelines for each step of procurement activity under different solicitations.

123. The Board noted the following two procurement cases with lengthy processing time delays at Headquarters:

(a) In the Procurement Division, the procurement exercise for the provision of aviation and ground fuel to UNIFIL and MINUSTAH lasted more than 600 days and had not been finalized up to October 2008. As a result, the two missions had no option but to extend the original contracts and to increase the not-to-exceed amounts several times. For example, UNIFIL extended its local fuel contract five times from 1 September 2007 to 31 December 2008 with the not-to-exceed amount increased by $31.38 million;

(b) During the bidding process of a systems contract for the provision of electrical materials, the Department of Field Support spent almost one year, from 19 December 2006 to 4 December 2007, to finalize the technical evaluation. Some vendors declined to extend the validity of their bids and withdrew from the bidding process. This might cause potential loss to the Organization since the vendors who withdrew might have had better offers.

124. **The Board recommends that the Administration finalize the procurement process for the provision of fuel to the missions.**

125. **The Board recommends that the Administration expedite the technical evaluation process in future procurement activities.**

126. The Department of Management commented that a contract for the provision of fuel in UNIFIL had been signed on 22 December 2008 and contracts for aviation and ground fuel for MINUSTAH were currently under negotiation.

127. The Department of Field Support responded that the technical evaluation report had been completed within four months and submitted to the Procurement Division on 11 April 2007. Due to improper technical wording, the report was returned to the Department for further revision. Therefore, the period between April and December 2007 was not a part of the technical evaluation and was mainly spent for commercial evaluations and sample inspections. However, the Board noted that the Department of Field Support sent the final technical evaluation result to the Procurement Division on 4 December 2007. Therefore, the Board considered that the Department of Field Support spent almost one year in finalizing the technical evaluation.

Requisition and procurement time frames analysis at missions

128. The Board reviewed the requisition time frame (from requisition initiation to requisition approval) and procurement time frame (from requisition approval to purchase order approval) in several missions and made the following observations:

(a) At UNIFIL, the requisition time frames for almost one fourth of the purchase orders exceeded the maximum days listed in the Procurement Manual.

Similarly the procurement lead time for more than one third of the purchase orders went beyond the maximum days, with the longest lead time being 372 days;

(b) At UNAMID, of the 905 requisitions, 185 had a purchase order approval date that was later than the delivery date requested in requisition form. The significant delay was mainly attributed to the lengthy requisition time frames, ranging from 65 to 157 days;

(c) At UNMIS, the procurement lead times for 16 per cent of the requests for quotation and 10 per cent of the invitations to bid exceeded the maximum time limits, with the longest lead times being 349 and 365 days, respectively. The long lead times resulted in complaints from users.

129. **The Board reiterates its previous recommendation that the Administration ensure that UNIFIL, UNAMID and UNMIS identify the causes for the lengthy lead times in the requisitioning and procurement processes and adopt measures to ensure that the requisitions and purchase orders are issued within reasonable time frames.**

130. The Department of Field Support commented that the Procurement Manual was a guide that was based mainly on Headquarters circumstances rather than the situation in field missions where operational conditions might lead to deviations from the guide to ensure that requirements could be met. The three missions identified by the Board had experienced significant growth in activities during 2007/08. However, the missions had put in place appropriate monitoring procedures, including weekly reporting, to highlight outstanding cases to facilitate the expediting function.

Ex post facto cases

131. An ex post facto case refers to a procurement action in which the contract is executed prior to advice being obtained from Headquarters or the Local Committee on Contracts. An ex post facto case may be acceptable under exceptional circumstances, provided all other United Nations procurement practices and procedures have been followed. However, it should be a rare exception and should be accompanied by written justification explaining the reasons why timely presentation was not possible.

132. In 2007/08 the number of the Headquarters Committee on Contracts ex post facto cases increased by 34 per cent, from 70 to 94. The amount involved in the ex post facto cases increased by 274 per cent, from $86 million to $322 million. In addition, the percentage of the amount involved in the ex post facto cases against the total amount reviewed by the Headquarters Committee on Contracts also increased, from 3 to 5 per cent.

133. The Board noted that the majority of Headquarters Committee on Contracts ex post facto cases for 2007/08 were contract amendments and letters of assist (a type of contract with a Government), which accounted for 97 per cent of the total amount involved in the ex post facto cases. In addition, nearly one third of the total letters of assist and contract amendment cases submitted to the Headquarters Committee on Contracts were in ex post facto situations. For instance, the Board noted a contract at UNMIS that had been extended six times and found that on four occasions it was extended with ex post-facto approval.

134. Based on a review of the Headquarters Committee on Contracts ex post facto cases, the Board noted that the major reasons for late submission of letters of assist were slow negotiations with the Government and the exigencies of the situation. As to contract amendments, the late submissions were mainly attributed to inadequate procurement planning and contract management. For example, some missions did not notice that the contract not-to-exceed amounts had been exceeded. Another example was that some missions presumed that a new contract would be finalized at a certain time and did not make any preparation for the possible delay of the new contract.

135. The Board is of the view that ex post facto submission should be rare and exceptional rather than being pervasive. The Board is concerned that a large proportion of ex post facto cases would impair the effectiveness of the review of the Headquarters Committee on Contracts because subsequent Committee recommendations were restricted due to the fact that the deliverables had already been commenced or were fully satisfied.

136. **The Administration agreed with the Board's recommendation that it take appropriate measures to reduce the number of ex post facto cases submitted to the Headquarters Committee on Contracts for review.**

137. At UNIFIL, the Board noted that no written justifications were available for five ex post facto cases. In particular, in the ex post facto case of the shipment of 12 trailers to MONUC initiated at the Movement Control Office in Beirut with the amount of $187,980, the delegation of authorization, formal requisition and formal bidding were absent. Furthermore, due to the narrow scope of works, offers received could not be considered as competitive.

138. **The Board recommends that the Administration ensure that UNIFIL: (a) maintain a written record for the justification of ex post facto cases; and (b) comply strictly with the requirements relating to the delegation of authority and other related procedures for the procurement of goods and services.**

139. The Department of Field Support commented that the cases noted by the Board were related to procurement carried out under urgent operational requirements.

Technical evaluation

140. According to the Procurement Manual, the technical evaluation is to be conducted in accordance with the criteria for evaluation established and agreed upon prior to the issuance of the solicitation document. The United Nations should take appropriate action to ensure the fairness, integrity and transparency of the technical evaluation process are preserved.

141. At Headquarters, an invitation to bid issued on 10 October 2006 consisted of four product categories. The invitation to bid stated that "The United Nations will consider only those bids that provide a quote for all the items listed under that specific category." It also stated that the United Nations reserved the right to split an award within categories. In response to the enquiry of the Headquarters Committee on Contracts about whether the vendors who submitted partial bids could be disqualified, the Department of Field Support clarified that the vendors had been informed that it was not a requirement to bid for all items in a category. The clarification was recorded in the minutes of the Headquarters Committee on Contracts.

142. On one hand, the technical evaluation disqualified vendors who omitted a number of items within a category, while on the other hand the Procurement Division split awards within one category. This practice gave the appearance that the Department of Field Support did not comply with its explanation to the Headquarters Committee on Contracts. The Department of Field Support indicated that it would not like to have a split award, but it used a standard invitation to bid document. The Board is of the view that the changing of technical evaluation criteria was not fair to the vendors that were disqualified for submitting partial bids within a category and was not in the interests of the United Nations, considering the disqualified vendors might have better offers for certain items under a category.

143. Furthermore, under the terms of the invitation to bid, prototype inspections were not indicated as one of the technical evaluation criteria. Nevertheless, the Department of Field Support requested the Procurement Division to arrange for prototype inspections prior to the award of the contract and these inspections were conducted between August and October 2007. The Board is of the view that the prototype inspections might affect the fairness and transparency of the procurement exercise since the United Nations changed the original evaluation process.

144. By memorandum dated 5 February 2008, the Department of Field Support stated that observations made during inspections were not considered during the recommendation of the award. This was reflected in the minutes of the Headquarters Committee on Contracts. The Board does not regard this explanation to be plausible. The proposed systems contracts award to three vendors with the not-to-exceed amount of $20 million was discussed by the Headquarters Committee on Contracts on 12 December 2007 and was approved by the Controller on 17 January 2008 on the basis of a final technical evaluation conducted after the prototype inspection.

145. **The Board recommends that the Administration observe the technical evaluation criteria and process under the terms of solicitation documents or inform all invitees of any changes in the evaluation criteria so as to ensure the fairness, integrity and transparency of the evaluation procedure.**

146. The Department of Field Support stated that it concurred in principle with the recommendation. For future evaluations it would seek to ensure the consistent application of the criteria set out in the released invitation to bid documents and would revise standard invitation to bid documentation where necessary.

147. At UNIFIL, the Board noted that a vendor who had not provided a quality plan, which was a mandatory requirement of technical evaluation, was awarded the contract for the Naqoura Harbour rehabilitation project. Due to the inability of the vendor to provide the plan, UNIFIL organized a re-bid and awarded the contract to another vendor.

148. **The Board recommends that the Administration ensure that UNIFIL observe the mandatory requirements of technical evaluation in the future.**

149. At UNAMID, in one procurement case, the requisitioner recommended a not-to-split award of the contract. It was noted that the invitation to bid did not specifically indicate whether to split award or not. The procurement office awarded the contract to a supplier other than the two qualified vendors with the lowest prices for separate items because all the product items of the awardee met the technical requirement. The evaluation results showed that one of the products of the two qualified vendors met the requirement. Therefore, it would have been possible to

split the award between the two vendors, which would have resulted in a saving of $97,822.

150. The Board also noted that the awardee offered a delivery period of 90 days, while the other two vendors offered a delivery period of 42 and 77 days, respectively. In other words, splitting the award could have satisfied the Mission's need in a more timely manner.

151. UNAMID explained that it had a very lengthy and difficult supply chain and in this case the delicate items to be ordered were most likely to arrive in the Mission in sound condition if they were transported together in a single container and therefore had to come from the one vendor. The Local Committee on Contracts had concurred with the recommendation not to split the order.

152. **The Board recommends that the Administration ensure that for future procurement activities, UNAMID carry out a careful analysis to determine whether procuring items in smaller lots could result in significant cost savings.**

Contract awarding

153. At UNMIS, the Board noted the following in a particular contract:

(a) The Tender Opening Committee opened the technical proposals and the financial proposals at the same time, which did not comply with the rules on opening proposals under the terms of request for proposals. This practice can compromise the integrity of the bidding;

(b) The contract was awarded to a vendor with the second highest evaluation score as approved by the Controller because the awardee provided a lower price than the vendor with highest evaluation score. However, the vendor with the highest evaluation score should be awarded the contract according to the Procurement Manual;

(c) The final price in the contract signed with the vendor was $2.94 million, which was 19.99 per cent higher than its initial offer of $2.45 million. It should be noted that the threshold required for submission to the Headquarters Committee on Contracts review is 20 per cent. In addition, UNMIS did not provide any documents in the case file indicating the reasons for the increased price.

154. The above actions, in the Board's view, were not in compliance with the general procurement principles in the Financial Rules and Regulations of the United Nations of "best value for money" and "fairness, integrity and transparency".

155. **The Board recommends that the Administration ensure that UNMIS: (a) adhere strictly to the requirement of the Procurement Manual and the Financial Rules and Regulations of the United Nations to open and evaluate the technical proposal first before considering the financial proposal; and (b) provide adequate justification in the related file where contracts are not awarded to the highest evaluated bidders.**

156. The Department of Field Support commented that UNMIS had conducted a training session for all members of the Tender Opening Committee so that they understood the required procedures. In addition, the Mission had reminded all buyers to promptly update their case files with relevant documentation, including justifications, for deviations from established procedures.

Bid submission time frame

157. According to the Procurement Manual, after issuance of solicitation documents, the procurement officer should ensure that the prospective vendors be given sufficient time to understand the solicitation documents and formulate the appropriate reply to said solicitation.

158. The Board noted several instances at UNMIS and UNIFIL where the submission time frames allowed for potential vendors was much shorter than the minimum time required in the Procurement Manual. For a request for quotation, the minimum time allowed is 10 days, while for an invitation to bid and a request for proposal the minimum time is 30 days, as summarized in table II.12.

Table II.12
Bids with submission time less than the minimum time

Mission	*Type of bid*[a]	*Total number*	*Bids with submission time less than minimum time*		*Average time (days)*	*Shortest time (days)*	*Minimum time in Procurement Manual*
			Number	*Percentage*			
UNMIS	**RFQ**	271	92	34	6	1	10
	ITB	160	102	64	19	2	30
	RFP	15	6	40	18	4	30
UNIFIL	**RFQ**	331	162	49	6	[b]	10
	ITB	190	176	93	17	[b]	30
	RFP	17	15	88	18	[b]	30

[a] RFQ = request for quotation; ITB = invitation to bid; and RFP = request for proposal.
[b] Vendors were required to submit bids on the same day as issuing solicitation.

159. A similar observation was made at UNAMID, where, on the basis of sample tests carried out, four cases were noted where the submission time was less than the minimum time required in the Procurement Manual. This might have resulted in the low submission rate of 14 per cent of the vendors invited to bid.

160. **The Board recommends that the Administration ensure that UNMIS, UNIFIL and UNAMID comply strictly with the requirements of the Procurement Manual relating to the minimum time frames for the submission of proposals and responses to requests for quotations, invitations to bids and requests for proposals.**

161. The Department of Field Support commented that the missions had sought to comply with the procurement time frames, while the standards established in the Procurement Manual did not always reflect the conditions prevailing in the peacekeeping environment. The prevailing local conditions might lead to deviations from the standards to ensure that operational requirements were met. However, in such instances, the missions would provide justifications for the deviations to serve as an audit trail.

Preparation time frame for mandatory site visits

162. At UNIFIL, it was noted that the Procurement Section had selected the eligible vendors from those who attended the mandatory site visit or pre-proposal conference between the bid issuing date and bid closing date. The Board sampled cases from those reviewed by the Local Committee on Contracts in 2007/08. Among the observed cases, it was noted that the time frame between bid issuance date and mandatory site visit or pre-proposal conference date ranged from 3 to 10 days.

163. The Board is concerned that the scheduling of a mandatory site visit or pre-proposal conference within a short time (for example three days) after the issuing of a bid did not appear to be reasonable as international vendors did not have sufficient time to prepare for the site visit or conference.

164. **The Administration agreed with the Board's recommendation that it reconsider the reasonableness of the time frame for mandatory site visits to ensure the effectiveness of competition, both locally and internationally.**

165. UNIFIL explained that it would endeavour to offer vendors at least 10 calendar days to prepare for mandatory site visits.

Performance bonds and liquidated damages

166. In its previous report, the Board had recommended that the Administration ensure that, when executing contracts, all missions adhere strictly to the requirements of the Procurement Manual in respect of performance bonds and liquidated damages. The Advisory Committee on Administrative and Budgetary Questions shared the Board's concern about the non-provision of performance bonds and expressed the view that performance bonds were paramount to mitigating future financial risks to the Organization (A/62/823, para. 18). However, the Board noted that this requirement was not always adhered to.

167. At UNHQ, the Board examined 11 valid food rations contracts in the contract tracking system on and after 1 July 2007 and analysed the status of the performance bonds. The results showed that four performance bonds, amounting to more than $3 million, had not been collected by the Procurement Division.

168. In one case, a contactor had not provided a performance bond for 424,659 euros although four years had elapsed. On 14 August 2007, the Headquarters Committee on Contracts recognized that violation and recommended that the Procurement Division investigate the matter. In the contractor's response to the enquiries of the Procurement Division, the contractor quoted article 4 of the contract and indicated that he had chosen option 2 under that article, that is, the United Nations would be entitled to obtain the amount of the bond from the contractor, including but not limited to, by way of deduction of said amount from any invoices submitted to the United Nations by the contractor under the contract, since a performance bond was very costly to provide and maintain for the duration of the contract. However, the Procurement Division had not taken action to recover the performance bond by deduction of said amount from any invoices submitted to the United Nations at the time of audit.

169. **The Board recommends that the Administration review all procurement contracts involving peacekeeping operations to ensure strict compliance with the requirements of the Procurement Manual relating to obtaining performance**

bonds from vendors in order to protect the Organization from possible loss due to unsatisfactory performance or non-performance.

170. The Department of Management commented that the four performance bonds referred to by the Board were for contract extensions. Of the four, three performance bonds had been received by the Procurement Division. In respect of the remaining case, the Division had written to the contractor advising that such a deduction would take place in future invoices. Such amount would be returned by the United Nations at the conclusion of the contract.

171. At UNIFIL, a review of purchase orders reflected delivery delays ranging from 4 to 197 days. However, the requirement for liquidated damages was not enforced in any of the contracts. This was confirmed by UNIFIL.

172. At UNAMID, several contracts had been entered into without a liquidated damages clause and the delivery dates for three contracts had been expired for more than two months and the related goods had not been received.

173. At MINURCAT, 165 contracts for goods and services amounting to $5 million did not have clauses for liquidated damages, although delayed delivery frequently occurred. In addition, the verification of the execution of 33 contracts valued at $454,299 revealed delays in the delivery of the items of from 5 to 70 days.

174. **The Administration agreed with the Board's recommendation that it ensure that UNIFIL, UNAMID and MINURCAT comply strictly with the requirements of the Procurement Manual relating to liquidated damages.**

Vendor performance monitoring

175. The importance of vendor performance monitoring had been addressed in previous reports of the Board. The absence of vendor performance monitoring and reporting on a regular base would expose the Organization to the potential risk of the vendor failing to fulfil its responsibility and therefore affecting the delivery of mandates.

176. While recognizing the progress made in this area, the Board noted that improvement was still required at UNIFIL and MINURCAT. At UNIFIL, of the contract extension cases presented to the Local Committee on Contracts, five cases were approved for extension without a satisfactory vendor performance evaluation report on file.

177. In particular, the contract for the provision of petrol, oil and lubricants was extended five times from 1 September 2007 to 31 December 2008, with an additional not-to-exceed amount of $31.38 million. The Board reviewed the contract performance reports in the case files and observed that:

(a) The vendor was reawarded a one-year-term contract with the contract price of $15.38 million with an option to expand to $25.60 million effective 1 September 2006, without a performance evaluation covering the previous period from 1 January to 31 August 2006;

(b) The performance report for the appraisal period from 1 February to 30 June 2007 was evaluated without documenting the vendor's performance records;

(c) The performance in the period from 1 November 2007 to 30 March 2008 was evaluated as satisfactory. However, in supplementary records to the said report, the requisitioner stated that the vendor had not performed satisfactorily in the past three months (1 January to 31 March 2008). Also, the contract was extended from 1 April to 30 June 2008 before the reporting date of the said report. This means that contract extension was granted prior to performance evaluation.

178. Another example relates to the contract for garbage collection and disposal services, which had been extended four times from 12 February 2007 to 29 February 2008, with the not-to-exceed amount increasing from $104,616 to $518,392. However, there was no contract performance report in the case files.

179. Based on sample tests carried out, the Board noted that at UNIFIL, 92 per cent of the vendors did not have any performance evaluation rating records. At MINURCAT, the vendor performance evaluation mechanism has not been established. Requisitioners also did not conduct vendor performance evaluation and issue performance reports to the procurement section.

180. **The Administration agreed with the Board's recommendation that UNIFIL: (a) monitor and report vendors' performance in a timely manner, in accordance with the standards set in the Procurement Manual; and (b) ensure that satisfactory vendor performance reports are available in the files before contracts are extended.**

181. **The Administration agreed with the Board's recommendation that it ensure that MINURCAT implement procedures for the evaluation of vendor performance in conformity with the requirements of the Procurement Manual dealing with the evaluation of vendor performance.**

182. UNIFIL explained that the newly established Contract Management Unit in the Office of Chief of Administrative Services would assist the Mission in monitoring vendors' performance. UNIFIL also explained that it would remind the self-accounting units of their obligations to furnish vendor performance reports on the extension of existing contracts.

Procurement staff training

183. At UNMIL, there was no guideline available in terms of a plan or document as to what training should be provided to staff at different levels/positions in the procurement section. In addition, at UNMIK, there was no training plan for staff in the procurement section, and not every staff member attended all the training sessions available during the year.

184. **The Board recommends that the Administration ensure that UNMIL and UNMIK develop and implement suitable training plans for the procurement staff in order to enhance the quality of the procurement process.**

185. The Department of Management commented that it had worked closely with the Inter-Agency Procurement Services Office/UNDP to develop a procurement training programme with the objective of establishing a solid understanding and knowledge base of the fundamentals of procurement for all staff members involved in procurement activities, including the members of the Headquarters Committee on Contracts at Headquarters and the Local Committees on Contracts at peacekeeping missions. A comprehensive training plan for 2008/09 and beyond is currently being finalized by the Procurement Division.

Vacancy rate

186. The Board followed up on its previous recommendations regarding the high vacancy rate in missions and made the following observations:

(a) At UNIFIL, of the five approved posts for the Contract Management Unit, only two were filled as of September 2008. Due to a shortage of staff, the roles and responsibilities of the Contract Management Unit had not been carried out completely;

(b) At UNOCI, there were three vacant positions at the P-2 level and above in the Procurement Section, which had existed for the entire financial year under review. Up to September 2008, the vacancy rate for the Section was 22 per cent.

187. **The Administration agreed with the Board's recommendation that it ensure that UNIFIL and UNOCI take appropriate measures to expedite the recruitment of the vacant procurement positions.**

Local vendor database

188. The Board noted that MINURCAT had not finished the work of vendor registration and that a local vendor database had not been established. This made it difficult for the Procurement Section to obtain accurate information about vendors and to select eligible vendors for future procurement activities.

189. As a minimum requirement, potential vendors must submit five types of documents to the vendor database officer for review and evaluation before they can be registered in the roster. At UNMIK, two vendors' files did not contain all the required information and one file did not contain any information. Furthermore, no evidence was kept in files on whether the vendors had been evaluated before they were approved for registration.

190. At UNIFIL, the Local Vendor Review Committee did not meet periodically to evaluate and recommend the suspension and removal of registered vendors. It was noted that the Committee met only once in 2007/08.

191. Also at UNIFIL, 158 temporary vendors had never been invited to bid and more than half of them had remained in the database beyond the three-month time frame stipulated in the Procurement Manual. A similar observation was made at UNLB, where 34 per cent of registered vendors had never been invited to bid and a substantial number of vendors had failed to respond to invitations three times or more. Having these vendors, who were inactive in nature, in the vendor database increased the maintenance cost of the database and lowered the efficiency of procurement activities.

192. At UNOCI, neither a vendor management policy nor the local vendor review committee had been established. In addition, up to September 2008, a local vendor database officer had not been officially designated and the database was not systematically updated.

193. **The Administration agreed with the Board's recommendation that it ensure that missions comply strictly with the requirements of the Procurement Manual relating to vendor management.**

12. Expendable property

194. Paragraph 49 (iv) of the United Nations system accounting standards provides for the disclosure of inventories. The Board noted that only the expendable property in strategic deployment stocks with a value of $9.31 million had been disclosed in note 13 to the financial statements for 2007/08. However, the total value of unused expendable property at peacekeeping missions as recorded in the Galileo system amounting to $436.92 million as at 30 June 2008 was not disclosed. The Board has not confirmed the accuracy of that balance; the Administration commented that it is not in a position to make disclosure of the expendable property at present.

195. The Board is of the view that the disclosure of the value of all expendable property in the financial statements would improve transparency, accountability and financial reporting, especially in the preparation for the implementation of the International Public Sector Accounting Standards. In its report (A/62/823, para. 16), the Advisory Committee on Administrative and Budgetary Questions stated that disclosure of the value of expendable property would improve management practice aimed at maximizing controls and minimizing risk.

196. The Department of Management explained that for strategic deployment stocks, expendable property was disclosed on an exceptional basis to complement the non-expendable property of strategic deployment stocks so as to report the total capacity of strategic deployment stocks. The disclosure of expendable property required considerable administrative resources to attain, maintain and validate the data of expendable properties. Data input and record keeping systems, processes and procedures related to the procurement, release and inventory check of expendable properties would also require significant revisions and be critically dependent on adequate automated systems. As such, the changes could not be dealt with incrementally but would be considered together with other requirements arising from implementation of the International Public Sector Accounting Standards and in conjunction with implementation of the enterprise resource planning system.

197. **The Board recommends that the Administration expedite all its preparations for the recording of expendable property and disclose its value in the financial statements at the end of the financial period.**

Physical counts and inventory records

198. According to the Property Management Manual, records and controls should be maintained for expendable property, and the self-accounting unit chiefs should have complete control over their expendable property in order to manage restocking, maintenance, shelf life and rotation, among other factors. The Board conducted physical verifications in missions and found some discrepancies between physical stocks and the records in the Galileo system. This is an indication of inadequate management and control of expendable property.

199. **The Board recommends that the Administration strengthen the management and control of expendable property through ensuring that accurate records are maintained, physical inventories are periodically conducted, discrepancies are promptly investigated and corrective actions are taken.**

200. The Department of Field Support commented that, in January 2008, it had reminded all missions to reconcile information from physical inspections with that

in the Galileo system and to take action on noted discrepancies. Furthermore, all missions were to enforce the requirement for assets managers to accurately record the actual status of their property in the Galileo system. The importance of improving the standards of property management was also raised and discussed at the director/chief of missions support conference held in New York in July 2008. The missions confirmed that physical inventory checks were now being conducted on a regular basis and were an ongoing practice.

Expendable property in excess of requirements

201. At UNDOF, 358,069 items with a value of $785,566, accounting for 31 per cent of total quantity and 22 per cent of total value, were kept in stock for more than 24 months. The Board is concerned that some expendable property might have been acquired in excess of operational requirements.

202. **The Board recommends that the Administration ensure that UNDOF review its expendable stock levels to ensure that it maintains stock levels commensurate with its operational requirement.**

203. The Department of Field Support commented that UNDOF continued to make progress in reducing the stock of expendable property items held in stock and as at 20 January 2009 the total figure had been reduced to 277,967 items with a value of $473,887. The review of expendable property items was an ongoing process to ensure that the mission's stockholdings were within the established levels.

Storage control and warehouse management

204. At MINUSTAH, the transport warehouse did not have enough shelves or storage bins. As a result, several spare parts remained in boxes. The warehouse management indicated that a request to the Engineering Section for shelves in the warehouse had been submitted but no action had been taken on the request.

205. At MINURSO, different kinds of tyres were stored together, while in other cases the same kinds of tyres were stored in different containers. As a result, it was difficult to confirm the quantities of different types of tyres on hand. In addition, 30 tyres had been piled on top of a container for about 10 years. A similar observation was made at UNMIT, where the same kind of tyres were stored in different locations and the transportation department staff members themselves could not identify exactly where the tyres were located.

206. **The Administration agreed with the Board's recommendation that MINUSTAH, MINURSO and UNMIT enhance the storage control in the warehouses.**

207. At MONUC, the Communications and Information Technology Section store at the Bukavu field office was not equipped with closed-circuit television equipment. The store contained mostly items that were expensive and susceptible to theft. The installation of closed-circuit television would enhance the security of the store.

208. In addition, the stock location system had not been fully implemented and some items were stored in more than one location. The expendable inventory of the Communications and Information Technology Section in the store was also not recorded in the Galileo inventory management system. Furthermore, the stock records were kept in a manual register, which was not updated in a timely manner and was not complete. During the test counts the Board counted eight units of

C9722A printer cartridges. On reconciliation with the manual register it was noted that one item had been issued but the manual register had not been updated. Ten units of FX3 cartridges counted were also not recorded in the manual register.

209. **The Administration agreed with the Board's recommendation to ensure that MONUC: (a) consider installing closed-circuit television equipment in the Communications and Information Technology Section warehouse; (b) implement and maintain the stock location system in the warehouse and store the same items of inventory in one location; and (c) implement controls to ensure that all items of expendable property were recorded in the Galileo inventory management system.**

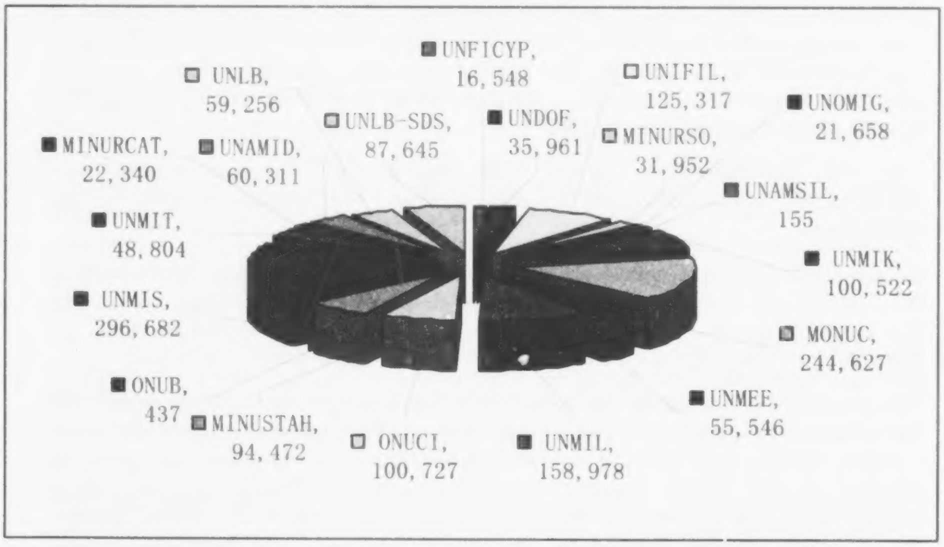
13. Non-expendable property management

210. In its report (A/62/823), the Advisory Committee on Administrative and Budgetary Questions agreed with the Board that inadequate inventory record keeping carried with it an inherent risk of financial loss to the Organization. Accordingly, the Committee requested the Board to update the system in the context of its review of peacekeeping operations for 2007/08.

211. As disclosed in note 13 to the financial statements, the value of non-expendable property holdings of peacekeeping operations as at 30 June 2008 amounted to $1.56 billion, a 12 per cent increase from the previous year's amount of $1.39 billion.

212. The mission with the largest portion of non-expendable property was UNMIS, accounting for $296.68 million or 19 per cent of the total non-expendable property, while strategic deployment stocks valued at $87.65 million represented 6 per cent. The breakdown of these holdings is shown in figure II.4.

Figure II.4
Non-expendable property holdings of missions as at 30 June 2008
(Thousands of United States dollars)



213. According to the Department of Field Support, as at 30 June 2008, 312,685 items of non-expendable property with a value of $1.11 billion were in use, representing 65 per cent of the total quantity and 71 per cent of the total value. Some 125,277 items with a value of approximately $390 million were in unit stock (i.e., not in use), representing 26 per cent of the total quantity and 25 per cent of the total value.

Physical verification by the property control and inspection units

214. The Board noted that the Department of Field Support had issued a directive on 21 January 2008 requesting all missions to ensure that a 100 per cent physical inventory check was conducted and completed before the end of the financial year. According to the physical verification reports of the Department, eight missions conducted over 90 per cent physical verification, compared with five missions in the previous year. The remaining missions that have carried out less than 90 per cent coverage of physical verification are UNMIS, UNMEE, MINURSO, UNFICYP, UNOMIG, UNAMID and MINURCAT, as well as UNLB. The Board also noted that the coverage of physical verification decreased in UNMEE and MINURSO, from 92 and 83 per cent in 2006/07 to 89 and 63 per cent in 2007/08.

215. The Board further noted that the coverage of physical verification of non-expendable property for UNAMID was quite low, as shown in table II.13.

Table II.13

Coverage of physical verification of non-expendable property in some missions

(Percentage)

	Coverage of physical verification	
Mission	*By quantity*	*By value*
UNAMID	6	5
UNMIS	51	57
UNFICYP	69	65
UNOMIG	69	79

216. The Board is concerned that incomplete physical verification of non-expendable property could affect the completeness, accuracy and validity of the amount of $1.56 billion disclosed in the notes to the financial statements.

217. **The Administration agreed with the Board's recommendation that it ensure that, for future financial periods, full and complete physical verifications are carried out to support the amount of non-expendable property that is disclosed in the notes to the financial statements.**

Discrepancies and follow-up

218. According to the discrepancy reports of missions, in the physical verification of non-expendable property in 2007/08, the property control and inspection units could not locate 8,840 items valued at $24.59 million. Examples are shown in table II.14.

Table II.14

Examples of non-expendable properties not found by the property control and inspection units

(United States dollars)

Mission	*Quantity*	*Percentage of the total quantity*	*Amount*	*Percentage of the total amount*
UNMIL	3 864	9	10 634 522	7
UNDOF	830	9	1 767 195	5
UNMIK	720	2	1 227 550	1
UNMEE	530	3	1 642 828	3
MINUSTAH	265	1	472 839	1

219. The inability to locate non-expendable property increases the risk of the closing balance of non-expendable property as at 30 June 2008 not being accurate.

220. Other discrepancies noted in the missions included different users, locations and conditions of use other than those recorded in the system.

221. The self-accounting units are the custodians of the property. It is the responsibility of self-accounting units to perform follow-up when discrepancies are noted. The Board noted that follow-up on non-expendable property discrepancies was not performed in a timely manner at MINUSTAH, UNDOF, UNMIS, UNIFIL and UNMIL.

222. **The Board recommends that the Administration ensure that: (a) discrepancies are promptly investigated; and (b) corrective action is taken to avoid a recurrence.**

Stock level ratios and surplus

223. The Board noted that the stock level ratios of some non-expendable property were higher than those determined by the Department of Field Support, as shown below:

(a) As at 30 June 2008, UNMIS had a high stock level of non-expendable property valued at $101.7 million, or 42 per cent of the total value of non-expendable property;

(b) UNAMID had a high stock level of non-expendable property valued at $47.24 million, or 82 per cent of the total value of non-expendable property;

(c) At UNLB, among 284 categories of non-expendable property, there were 74 categories whose stock ratios were higher than the standard stock ratios, accounting for 26 per cent of the total non-expendable categories;

(d) At UNIFIL, the stock ratios of 50 categories of non-expendable property were higher than the standard stock ratios;

(e) At UNDOF, the stock ratios of 3 categories of engineering non-expendable property and 33 categories of supply non-expendable property were higher than the stock ratios determined by the Department of Field Support;

(f) At UNMIT, nine categories of non-expendable property were higher than the stock ratio stipulated by the Department of Field Support.

224. The Board is concerned that high levels of non-expendable property in stock might result in waste, deterioration and obsolescence as well as possible loss due to theft. Furthermore, the Organization has incurred financial, administrative and warehousing costs in maintaining such assets.

225. **The Board reiterates its previous recommendation that the Administration expedite the review of non-expendable property at all missions to ascertain the realistic quantities that should be held.**

226. The Department of Field Support explained that the missions had completed the review of their stock holdings and those that had been declared surplus were advertised in the "surplus" module of the Galileo system.

227. The Department of Field Support also informed the Board that UNLB had reduced the stock holdings level of non-expendable property to 12.7 per cent as at 31 October 2008, and that it would remind the self-accounting units to closely monitor the levels of their stock holding in accordance with established procedures. UNMIT had acted on the recommendation relating to stock levels, and had performed a detailed analysis of stock ratios of non-expendable property items.

Surplus and missing generators in UNMIL

228. The Board noted that at UNMIL, of the total 1,080 generators, 452 generators or 42 per cent, amounting to $7.32 million, were in stock as at 30 June 2008. The stock ratio was significantly higher than the stock ratio determined by the Department of Field Support, which was 25 per cent for generators. It should be noted that UNMIL acquired 55 new generators valued at $1.29 million during 2007/08.

229. The report extracted from the Galileo system on 16 August 2008 showed that 163 generators were serviceable. However, the Board noted that only 19 generators were found in store. The management was unable to indicate where the remaining 144 serviceable generators were stored.

230. Of the 244 generators that were non-serviceable and were due for repair, the Board noted that 5 generators had been pending repair for a period in excess of six months. The Board also noted that some generators were kept in the Mission's compound and were exposed to unfavourable weather conditions, causing damage to them that may be costly to repair.

231. **The Administration agreed with the Board's recommendation that it ensure that UNMIL: (a) strictly adhere to the requirement of the Department of Field Support to keep the stock ratio of 25 per cent of the total number of generators; (b) investigate the whereabouts of 144 serviceable generators that could be not located; and (c) expedite the repair of all non-functioning generators or dispose of them if it is not economical to repair them.**

Unused air conditioners in UNMEE

232. Some 431 unused air conditioners worth $180,292 were stored in containers or in warehouses and had remained in their original packaging from two to five years, because of the constant cool temperature in Asmara. Of that number, 272 air

conditioners worth $116,692 had been purchased in 2002 and 2003. The presence of the unused air conditioners would suggest that due consideration had not been taken as regards the climatic conditions of the Mission. Since the air conditioners had remained in their original packaging, it was uncertain whether they were usable.

233. **The Board recommends that the Administration ensure that UNMEE take appropriate measures to transfer to other missions or UNLB all surplus air conditioning units or to dispose of units that are deemed to be unserviceable.**

234. The Department of Field Support explained that air conditioners could be declared as beyond life expectancy only when they had been installed and were in use. The standard practice was for air conditioners that remained in their original packaging to be considered as unit stock with their useful lives intact. UNMEE confirmed that the air conditioners in their original packages had been categorized as group I assets in the asset disposal plan as they were in good condition and had been approved for transfer to UNAMID.

Classification of non-expendable property

235. Newly acquired items are classified as either non-expendable property or expendable property according to the Department of Peacekeeping Operations threshold list. The Board noted that the threshold list had not been updated for some years.

236. A review of the $500 threshold for "special/attractive items" recently requested by the Department of Field Support showed that such items accounted for 43 per cent of the total quantity of non-expendable property and only 4 per cent of the total value.

237. The Board is concerned that the management oversight of items of minor dollar value might not be cost-effective. In addition, the categorization of those items as non-expendable property might result in an overstatement of the value of such assets.

238. **The Administration agreed with the Board's recommendation to revise the threshold list for non-expendable property.**

239. Non-expendable property includes property or equipment valued at $1,500 or more per unit at the time of purchase and having a service life of at least five years. However, at UNMIS and UNAMID, 3,913 items with unit prices higher than $1,500 but with a serviceable life of less than five years had been classified as non-expendable property.

240. At UNDOF, 26 items with unit prices more than $1,500 and a service life of more than five years had been classified as expendable property instead of non-expendable property.

241. The Board was concerned that the misclassification of expendable property and non-expendable property would result in a misstatement of the amount disclosed in the financial statements for non-expendable property.

242. **The Board recommends that the Administration ensure that UNMIS, UNAMID and UNDOF correctly classify expendable property and non-expendable property according to the Property Management Manual.**

243. The Department of Field Support, in a facsimile dated 20 November 2008, requested all missions to conduct an analysis of their property inventory records to ensure that the recognition of property conformed to the definition of non-expendable property as contained in administrative instruction ST/AI/374. The Department has requested the missions to complete the review and update the Galileo system accordingly by the second quarter of 2009.

Loss of customs clearance documents at UNMEE

244. As at 1 September 2008, 9,340 items were found without customs clearance documents, representing 71 per cent of total United Nations-owned equipment transported to UNMEE. The Director of Customs of Eritrea required copies of the customs clearance documents for processing any item of United Nations-owned equipment being sent out of Eritrea.

245. The Board is concerned that the incompleteness of customs clearance documents and the uncertainty of obtaining them would adversely affect the UNMEE liquidation process.

246. **The Administration agreed with the Board's recommendation that it coordinate with the host country and other parties concerned to ensure that copies of all outstanding customs clearance documents are obtained.**

14. Strategic deployment stocks

247. In its resolution 56/292, the General Assembly endorsed the concept and implementation of strategic deployment stocks and approved $141.6 million for acquiring equipment in support of one new complex mission. Strategic deployment stocks are a revolving material reserve managed by the Logistics Support Division and stored and maintained in UNLB. The overall operational procedures involve deployment of strategic deployment stocks from UNLB to a start-up mission, replenishment through funding from the receiving mission and reconstitution in UNLB or at a vendor's premises for subsequent deployment.

Financial disclosure

248. The notes to the financial statements of United Nations peacekeeping operations showed that strategic deployment stocks (non-expendable property) were valued at $87.64 million as at 30 June 2008, compared with $88.9 million as at 30 June 2007. Table II.15 shows the movement of strategic deployment stocks in 2007/08.

Table II.15

Movement of strategic deployment stocks for 2007/08

(Thousands of United States dollars)

Opening balance	88 903
Purchases	40 470
Received from other missions	—
Transfers	41 652
Written-off and sold	78

Adjustments	1
Closing balance	87 644

249. Included in the closing balance for strategic deployment stocks valued at $87.64 million as at 30 June 2008, are amounts of $11.81 million and $16.8 million, which were committed to missions waiting for shipping and shipped to missions waiting for acknowledgement, respectively. In fact, only $59.03 million of strategic deployment stocks, 67 per cent of the total amount, was available for deployment to a mission as at 30 June 2008. The Board is of the view that it would have been more appropriate for the Administration to disclose in the notes to the financial statements the amount of strategic deployment stocks actually available for deployment.

250. **The Board recommends that, for future financial periods, the Administration make adequate disclosure of the composition of strategic deployment stocks to enable users to ascertain what amounts of strategic deployment stocks are available for ready deployment to missions.**

251. The Department of Management commented that it had acted on the recommendation and the actually available value of strategic deployment stocks had been disclosed in paragraph 19 of chapter I of the present document.

Efficiency of deployment and replenishment of strategic deployment stocks

252. During the current audit, the Board noted the efforts made by the Logistics Support Division and UNLB to ensure the effective and efficient operation of strategic deployment stocks for the quick deployment of a new mission. However, there were a number of issues that needed to be addressed, as follows:

(a) The issuance of material release orders by the Logistics Support Division for one shipment sometimes took too long. Sample tests carried out indicated that the time frame for UNLB to receive all material release orders from the Division for one shipment ranged from 66 to 228 days;

(b) Based on sample tests carried out, the processing time for UNLB to prepare goods and issue corresponding release vouchers after receiving material release orders varied from 1 to 155 days;

(c) Significant delays had occurred for two start-up missions, UNAMID and MINURCAT, in performing receipt and inspection procedures on strategic deployment stocks shipped from UNLB. The UNLB monthly report showed that as at 30 September 2008, receipt and inspection procedures for strategic deployment stocks valued at $6.64 million in MINURCAT and $16.13 million in UNAMID were not performed for more than 90 days after their departure from UNLB;

(d) Lengthy processing time was observed within the Logistics Support Division in the preparation and submission of requests for allotment issuance. For all allotment requests in 2007/08, the average processing time was 107 days, with 18 per cent exceeding 180 days. The delayed submission of requests directly hindered the allotment issuance and subsequent procurement actions.

253. The effective and efficient operation of strategic deployment stocks depends on close coordination among various stakeholders involved. The Board is concerned that any delay in each step would jeopardize the capability of strategic deployment

stocks, as an important material reserve, to be quickly deployed to a start-up mission and therefore influence the fulfilment of a new mission's mandate.

254. In addition, the current trigger mechanism for the replenishment of strategic deployment stocks needs to be reviewed. It was noted that the Logistics Support Division had started replenishment procedures only after the receipt of strategic deployment stocks shipping documents. Based on sample tests carried out in UNLB, an average of 50 days was spent for cargo consolidation and shipping service procurement after the issuance of a release voucher.

255. **The Board recommends that the Administration: (a) ascertain the reasons for the delays in the deployment and replenishment of strategic deployment stocks; and (b) review the current replenishment trigger mechanism and related procedures with a view to facilitating the more timely replenishment of strategic deployment stocks.**

256. The Department of Field Support commented that it had proposed several enhancements to the operational and accounting procedures, including: (a) seeking to reduce the time frame for the production of material release orders and release vouchers; (b) attempting to simplify the process of allotment and replenishment; and (c) attempting to ensure that the replenishment process commenced immediately following the issuance of release vouchers. The Department of Field Support informed the Board that it was currently engaged in a consultative process with the Office of Programme Planning, Budget and Accounts and the Controller's Office with a view to further revising the accounting guideline by 31 March 2009.

Slow-moving strategic deployment stocks

257. In paragraph 11 of his report on strategic deployment stocks (A/56/870), the Secretary-General stated that strategic deployment stocks should in general consist of equipment that was new and had its full service-life expectancy, except for long-life equipment that was considered as good as new after reconditioning.

258. The Board noted that 28 per cent of strategic deployment stocks (non-expendable property) as at 30 June 2008, aggregating $24.43 million, was purchased in 2005 or before and had never been rotated or deployed to missions. Furthermore, 2 per cent of non-expendable property amounting to $1.95 million had been kept in stock for more than five years. As a result of the slow movement of the strategic deployment stocks, 14 per cent of strategic deployment stocks, amounting to $12.11 million, had reached or exceeded half of their life expectancies. It was also noted that in 2007/08, strategic deployment stocks valued at $63,952 had been written off in UNLB because of obsolescence.

259. **The Board recommends that the Administration: (a) ensure that UNLB monitor the status of strategic deployment stocks and report periodically to Headquarters with regard to slow-moving items; and (b) investigate the causes of slow-moving strategic deployment stocks to avoid further obsolescence.**

260. The Department of Field Support commented that the age of strategic deployment stocks was monitored through the information in the Galileo inventory management system and the strategic deployment stocks rotation plans were integrated with missions' procurement planning to take into consideration the UNLB annual composition review and any stock items of strategic deployment stocks that had the potential to become obsolete. UNLB will continue its efforts in consultation

with existing missions to utilize slow-moving stocks to ensure that strategic deployment stocks are current.

15. Contingent-owned equipment

261. An operational readiness inspection is performed to assess the adequacy of contingent-owned equipment to fulfil a mission's mandate. The Contingent-Owned Equipment Manual states that the operational readiness inspection must be carried out at least once in every six-month period of the contingent's deployment in the mission area, and any time a mission believes the equipment or services do not meet standards.

262. At UNIFIL, the Maritime Task Force started to function on 15 October 2006, while the verification reports on the operational readiness of the Force were not prepared until October 2007. UNIFIL explained that the delay was mainly due to the following factors:

(a) There were no established procedures on how to prepare the verification reports for the Maritime Task Force;

(b) The inspection of a vessel would require officials of the Contingent-Owned Equipment Unit to fly by helicopter to one of the designated maritime ports. This was not practical because the cost was high and no aircraft was available.

263. The Board is concerned that since no standard operational procedures existed to verify the contingent-owned equipment of the Maritime Task Force, the capability of the Force could not be properly determined.

264. **The Administration agreed with the Board's recommendation that UNIFIL, in cooperation with Headquarters, develop specific guidelines for contingent-owned equipment inspections by the Maritime Task Force.**

265. The Department of Field Support informed the Board that, in coordination with UNIFIL, it had issued standard operating procedures in October 2008, which provided the framework and the necessary guidance for the timely and efficient verification of maritime assets. The Department of Field Support would review and incorporate the procedures developed by the Mission into the next revision of the Contingent-Owned Equipment Manual.

266. At UNMIS, only one operational readiness inspection was conducted during 2007/08, due to a lack of coordination between the Contingent-Owned Equipment Unit and the Military Force Headquarters.

267. **The Board recommends that the Administration ensure that UNMIS carry out operational readiness inspections in accordance with the Contingent-Owned Equipment Manual.**

268. The Department of Field Support commented that it had reminded all missions with formed military and/or police units in January 2008 of the contingent-owned equipment/memorandum of understanding on inspection and reporting requirements, including the requirement to conduct operational readiness inspections and arrival inspections. UNMIS reported that it had developed a plan for the conduct of operational readiness inspections on a semi-annual basis in compliance with established procedures.

16. Vehicle fleet management

269. There were 22,104 vehicles in peacekeeping missions as at 30 June 2008. Total expenditure of petrol, oil and lubricants was $328.61 million in 2007/08.

Vehicle accident statistics

270. The statistics prepared by the Department of Field Support indicated that the total number of accidents in 2007/08 was 3,613, resulting in total costs estimated at $1.91 million, giving an average accident cost of $529, compared with 3,796 accidents in 2006/07, a slight decrease of 183.

271. The Board noted that the statistics prepared by the Department of Field Support indicated that at UNMIK, there were 779 accidents in 2006/07 and 589 accidents in 2007/08. However, the statistics in the report of accidents provided by UNMIK showed the total number of accidents as 1,142 in 2006/07 and 1,116 in 2007/08. The Department of Field Support explained that the discrepancy had resulted mainly from the difference in interpretation of "accident" cases between missions and Headquarters.

272. The Department of Field Support informed the Board that it had been continuously working to improve safety in the field. Actions taken in recent years included filling the post of Headquarters Safety Officer in October 2006; assigning staff members as the safety focal point in missions; and revising and updating the Surface Transport Manual from the safety point of view.

273. **The Board recommends that the Administration: (a) continue to intensify its efforts to reduce the vehicle accident rates; and (b) ensure consistency in the interpretation of vehicle accidents across missions and Headquarters in order to effectively monitor transportation safety at the missions.**

CarLog system and trip tickets

274. The Board noted that the CarLog system had not been installed in all the vehicles in UNAMID. Of 1,864 vehicles in UNMIS, 345 vehicles, or 19 per cent of the total vehicles, were not equipped with the CarLog system by August 2008.

275. Although all vehicles in MINURCAT were equipped with the CarLog device, the system was not operational. The Board noted that not all vehicles were installed with the CarLog system in UNMIT.

276. **The Board recommend that the Administration ensure that UNAMID, UNMIS, MINURCAT and UNMIT make every effort to have a fully functional CarLog system.**

277. The Department of Field Support informed the Board that in accordance with section 5.23 of the Surface Transport Manual Procedures for the Field, the Safety Council of the Department of Peacekeeping Operations had endorsed the introduction of the CarLog system to all missions. It did not make it mandatory for every vehicle to be fitted with CarLog. The Board concurs that it may not be practical to install the system in material handling and engineering equipment; it takes the view, however, that the CarLog system is an important control mechanism to monitor the use of the missions' transportation vehicles.

278. The Department of Field Support commented that, at UNMIS, the installation of CarLog in the remaining vehicles was in progress and would be completed by 31 March 2009. Meanwhile, at UNMIS and UNAMID, records of usage of vehicles without the CarLog system were maintained by filling out trip tickets.

279. At UNAMID, based on sample tests carried out on trip tickets, the Board noted that 15 trip tickets from April to June 2008 and 14 fuel receipt forms from April to June 2008 had not been submitted to the Transport Section.

280. **The Board recommends that the Administration ensure that UNAMID comply strictly with the requirements for the submission of vehicle trip tickets and fuel receipt forms.**

281. The Department of Field Support commented that the staff strength of the Trip Ticket Unit of UNAMID had been increased and had facilitated timely follow-up action on trip tickets.

Rotation and replacement of vehicles

282. The Surface Transport Manual Procedures for the Field (provisional), 2004, provides that vehicles should be replaced when they reach the end of their economic life. It also emphasizes that vehicles in missions should be rotated periodically and provides the annual expected vehicle life of 22,250 kilometres per year for light vehicles and 10,000 kilometres per year for heavy vehicles. The Board noted several deviations from these guidelines, which are described below.

283. At UNMIT, the accumulated mileages of 25 sampled vehicles of the same type varied from 2,372 to 128,425 kilometres by 30 June 2008. All these vehicles were procured on August 2006.

284. At UNMIL, the mileage of 154 vehicles exceeded the limit of 140,000 kilometres for replacement as at 30 June 2008. The Board noted that the maintenance of vehicles with high mileage had exceeded the average cost of maintenance for the same type of vehicles.

285. At UNDOF, 46 vehicles did not achieve the minimum annual utilization rate while the odometer readings of 41 vehicles exceeded the maximum of 160,000 kilometres.

286. At MINURSO, the Board noted that the total mileage of 237 vehicles in use varied in a wide range. For example, the total mileage of 77 vehicles with the same entrance on duty of April 2004 ranged from 3,580 to 65,769 kilometres.

287. At UNLB, only 8 per cent of light vehicles' utilization rates in UNLB were in excess of half of the target rate of 22,250 kilometres per year established in the Surface Transport Manual Procedures for the Field (provisional), 2004.

288. The above observations indicate that the provisions of the Surface Transport Manual Procedures for the Field (provisional), 2004, with regard to vehicle rotation and replacement are not fully complied with. This practice might lead to inefficient and ineffective utilization of vehicles in the missions.

289. **The Administration agreed with the Board's recommendation that it ensure that all missions adhere strictly to the vehicle rotation and replacement policy as contained in the (provisional) surface transport manual procedures for the field, 2004.**

290. The Department of Field Support commented that due consideration should be given to the specific circumstances of a mission and limiting factors. The replacement criteria were minimum requirements and did not preclude the exercise of judgement based on individual circumstances. The Department, in conjunction with the missions, was working towards replacing vehicles through the usual budget and acquisition process. The Department informed the Board that MINURSO, UNMIT and UNMIL had acted on the recommendation.

291. The Department of Field Support concurred with the recommendation relating to the development of a vehicle utilization rate for UNLB. However, the Department indicated that the established target rate of vehicle utilization for field missions could not be applied to an operation such as UNLB.

Data discrepancies

292. At UNDOF, the mileage as at 30 June 2008 minus the mileage as at 30 June 2007 from the CarLog system did not equal the total mileage recorded by UNDOF.

293. There were discrepancies in UNLB between the mileage data provided by vehicle fleet management and those from the CarLog system for 2007/08. The largest discrepancy in total mileage was up to 117,248 kilometres while the largest discrepancy in fuel consumption was up to 39.67 litres per 100 kilometres.

294. Vehicle users in MINURCAT were currently instructed to fill out trip tickets for vehicles used. The Board made a comparison between the data provided by the Transport Section and the Fuel Unit, and found that the total amount of fuel received (23,987 litres) was not equal to that of fuel issued (42,517 litres) to vehicles in June 2008.

295. At UNAMID, there were 651 vehicles in the mission as at 30 June 2008. However, the Galileo system showed that there were only 356 vehicles in the inventory and the other 295 vehicles were in-transit as at 30 June 2008.

296. **The Board recommends that the Administration ensure that UNDOF, MINURCAT, UNAMID and UNLB investigate the causes of the discrepancies relating to the use of vehicles and take appropriate measures to rectify them.**

297. The Department of Field Support explained that the discrepancies at UNLB were attributed to a system malfunction that had been addressed. Also, UNLB relied on manual records maintained on fuel deliveries for the purposes of periodic checks and on-demand inspection by local customs authorities.

298. The Department of Field Support also explained that the CarLog system would be activated in MINURCAT vehicles during the first quarter of 2009. In the absence of any electronic vehicle monitoring systems, missions were required to employ the traditional monitoring methods, including the use of trip tickets.

299. The Department of Field Support commented that, at UNAMID, the information in the Galileo system was being updated to reflect all the non-expendable property items of the Mission and that it expected the update to be completed during the first quarter of 2009.

Fuel management

300. In accordance with a request of the Advisory Committee on Administrative and Budgetary Questions (A/62/823, para. 17), the Board continued to review the internal controls on the management of fuel. Section 4.3.1 of the Fuel Operations Manual states that under the approach of the Turnkey Operation, the contractor is responsible for management of the complete supply chain (supply and distribution) and site operations in support of all United Nations petrol oil lubricant requirements. Site operations include functions such as refuelling, defuelling, local distribution to generators and establishing and maintaining local reserves. The supplier may also operate and maintain the strategic fuel reserve as required.

301. MINURCAT did not have a strategic reserve stock of fuel. All fuel was supplied under short-term contracts. However, the short-term contracts did not have any provision for the holding of reserve stocks for MINURCAT or minimum stock levels. Similarly, UNAMID and the fuel contractor had not established a mission reserve of fuel up to the date of audit.

302. The Board is concerned that the absence of a strategic reserve stock of fuel could expose MINURCAT and UNAMID to the risk of being out of fuel when unexpected incidents take place.

303. **The Board recommends that the Administration ensure that MINURCAT and UNAMID maintain adequate stock levels of fuel for contingency purposes.**

304. The Department of Field Support informed the Board that MINURCAT was analysing the facilities owned by the European Union Force in the region to ascertain what equipment would be required to provide increased/adequate fuel storage capacities in regional locations, and that MINURCAT had had one aviation refuelling truck available for use since April 2008. The Department of Field Support anticipated that negotiations with fuel vendors for longer-term solutions would be finalized during the first quarter of 2009. At UNAMID, the strategic fuel reserves were expected to be established by March 2009. The Mission had cited ongoing security and country infrastructure constraints as reasons for its inability to secure such reserve structures in the past.

305. At UNDOF, the Board noted that the individual fuel consumption per 100 kilometres of 135 vehicles varied from 4.92 to 60.51 litres per 100 kilometres. Based on sample tests carried out at UNAMID, the records of fuel consumption and mileage for 14 vehicles from April to June 2008 could be traced, with fuel consumption varying from 2.6 to 23.9 litres per 100 kilometres.

306. The Board is concerned that the inadequate internal control to monitor the consumption of fuel might increase the possibility of a risk of fraudulent activity.

307. **The Board recommends that the Administration ensure that UNDOF and UNAMID investigate the reasons for the unusual fuel consumption and take appropriate measures to avoid a recurrence.**

308. The Department of Field Support informed the Board that UNDOF had reviewed the discrepancies in vehicles consumption noted by the Board and was assessing the benefit of acquiring and changing to the next generation of fuel coils, which cannot be removed without being destroyed. This would prevent the transfer of fuel rings from vehicle to generators or any other pumps. Furthermore, errors noted from the review have since been corrected and other structural changes to

enhance monitoring and the operation of effective internal control were included in the 2009/10 budget.

309. The Department of Field Support commented that UNAMID had reviewed the cases of discrepancies in the consumption of fuel and would continue with that practice. The Mission had established a system of weekly submission to the regional transport officers of trip tickets for vehicles at remote team sites for timely detection and prompt action on noted discrepancies.

310. During the audit of UNMIT, the Mission informed the Board that it had investigated the cause of the discrepancy between the actual and estimated fuel consumption of generators in 2007/08, and had reported it as a case of theft of generator fuel. The Board also noted that UNMIT had not formulated standard operating procedures for fuel management.

311. **The Board recommends that the Administration ensure that UNMIT: (a) improve the monitoring of fuel consumption to prevent fraudulent activity; and (b) prepare formal standard operating procedures for fuel management.**

312. The Department of Field Support commented that it had issued a comprehensive Fuel Operations Manual in July 2008, which had been circulated to all peacekeeping missions, including UNMIT. UNMIT had been developing two fuel management standard operating procedures, which were expected to be promulgated by 31 December 2008.

313. At UNAMID, fuel consumption was manually checked by staff. The electronic fuel accounting system had not been implemented to track fuel consumption. The Board had not obtained fuel consumption reports in other sectors, except for El Fasher, for both vehicles and generators, although it was informed that such records were allegedly being kept in other sectors.

314. **The Board recommends that the Administration ensure that UNAMID expedite the implementation of the electronic fuel accounting system as soon as possible in order to improve the management of fuel.**

315. The Department of Field Support commented that the electronic fuel accounting system had been implemented in five missions. Noting the value and importance of an effective fuel tracking system, the Department had advanced its plan to replace the system with an improved global electronic fuel management system. As such, no further investment would be made in the electronic fuel accounting system installation. The Department awaited the decision of the Chief Information Technology Officer on whether the system would be compatible with the upcoming enterprise resource planning system before proceeding with the project.

17. Rations management

316. The effective management of rations ensures that United Nations peacekeepers receive sufficient rations of appropriate quality for three meals per day. This includes planning, organizing and controlling the operations from initial requisition to final payment to suppliers as well as accurate and reliable record-keeping and filing.

317. In 2007/08, total expenditure on rations at peacekeeping missions was $225.89 million. Noting its concern about the financial implications of spoilage, the

Advisory Committee on Administrative and Budgetary Questions in its report (A/62/823, para. 19) requested the Board to continue to monitor the situation.

Storage management

318. The instruction on the ration packs indicated that the storage temperature should be between zero and 26 degrees Celsius. Some missions had not complied with that requirement, as detailed below:

(a) At UNMIT, neither thermometer nor cooling appliances were found in the container at the Malaysia Formed Police Unit site and no thermometer was found in the warehouse of the supplier;

(b) At MINURSO, neither the Mission's warehouse nor the contractor's warehouses for storage rations had a thermometer. The Mission's warehouse was a tent without air-conditioning equipment;

(c) At MONUC, the container used to store dry rations was not temperature controlled as the air-conditioning unit in the container was not working.

319. The Board is concerned that deficiencies in the storage or temperature control of rations might increase the risk that rations might be spoiled before consumption, resulting in financial loss.

320. **The Administration agreed with the Board's recommendation to ensure that UNMIT, MINURSO and MONUC comply strictly with the requirements for the storage of rations, including the installation of thermometers to monitor the temperature of rations.**

Feeding troop strength

321. At MONUC, the contingent was receiving rations for only 103 personnel instead of 160 personnel. The Field Operations Manager informed the Board that this was due to the temporary movement of contingents between fields. To address the shortage of rations, the contingent had to substitute meals.

322. At UNMIT, the actual feeding troop strength did not exclude those absent on leave or due to illness, while at UNDOF, rations requisitions were based on actual authorized strength but did not exclude personnel absent from contingent locations.

323. **The Board recommends that the Administration ensure that MONUC, UNMIT and UNDOF issue rations according to the actual troop feeding strength.**

324. The Department of Field Support explained that the shortage of food supply to the contingent in MONUC was due to the movement of the contingent between locations and that the supply chain of food orders were placed some 60 days in advance of the actual order as per the rations contract, whereas minor adjustments were allowed in certain cases and usually at the 15-day mark. Therefore, orders did not always match the actual troop strength on the date at which the food was delivered.

325. The Department of Field Support also explained that the Rations Unit of UNMIT received troop strength reports from the Formed Police Unit and food order forms were prepared about 65 days prior to the planned delivery dates of rations.

The Mission had been receiving food based on the Unit's more updated actual troop strength since April 2008.

Recording of rations

326. At MONUC, rations standard operating procedures were still in draft and had not been approved. The Board noted that stock balances were maintained outside the Galileo system, and that there were instances where records relating to rations were not adequately maintained.

327. The Board noted that the rations stock balances were maintained in Excel spreadsheets outside the Galileo system at MONUC because according to management there were some limitations in the system's capacity. The Office of Internal Oversight Services confirmed in its report (AP2007/620/06) that the unit/contingents did not maintain records such as ledger books or issue and receipt vouchers to account for all items received and issued by them.

328. **The Board recommends that the Administration ensure that MONUC: (a) approve the rations standard operating procedures; and (b) address the observed shortcomings in the rations management facility of the Galileo system.**

329. The Department of Field Support commented that it had addressed the shortcomings in the Galileo system by discontinuing its use for rations management and that the Galileo system was designed to be an asset tracking tool and not a supply management tool. An electronic rations system was submitted to the Headquarters Committee on Contracts in June 2008.

330. The Department of Field Support informed the Board that the draft rations standard operating procedures of MONUC would be amended and come into effect in March 2009. Therefore, MONUC expected to finalize and approve the rations standard operating procedures by April 2009.

331. At UNIFIL, daily issuance records were not available at all times, especially in cases where food was supplied by more than one source. There were some discrepancies in quantity between the Galileo records and the physical verification. Of the samples selected, the total discrepancies were 21,385 packages, or 71 per cent.

332. **The Administration agreed with the Board's recommendation that UNIFIL investigate the reason for the discrepancies relating to the recording of rations and update the records in the Galileo system.**

Water equipment and water well

333. At UNAMID, the planned acquisition of water purification equipment in the 2007/08 budget included 60 module I (basic water treatment) plants; 20 module II (water desalination) units; 350 clean water storage tanks, roof-covered, flexible and collapsible; 100 stand-alone surface water intake systems; 30 critical water quality parameter laboratories; and 15 complete water quality parameter laboratories. However, only 18 module I plants and 1 module II plant were received. The remaining equipment had not arrived at UNAMID by September 2008. In addition, 60 water wells were to be drilled according to the 2007/08 budget. However, no boreholes were actually drilled in the financial year.

334. The Board is concerned that the delays will affect the water treatment and impact the supply of water and the deployment of UNAMID.

335. UNAMID explained that the delay in drilling wells was due to the failure to identify suitable boreholes in drilling sites and to select a suitable contractor.

336. **The Administration agreed with the Board's recommendation that it ensure that UNAMID expedite the acquisition of the planned water equipment and the drilling of water wells so as to guarantee the water supply for the mission.**

18. Air operations

337. At 30 June 2008, there was a fleet of 252 aircraft, including 181 rotary-wing and 71 fixed-wing aircraft, at peacekeeping missions. On a total air transportation budget of $684.33 million, actual expenditure amounted to $583.46 million, or $100.87 million (15 per cent) less than the budget.

Rental costs and flight hours

338. For 2007/08, the total budget of aviation rental costs for peacekeeping missions was $447.27 million. Actual expenditure on aviation rental costs for peacekeeping missions amounted to $418.27 million, 6 per cent less than the budget, while the actual flight hours amounted to 105,823 hours, or 21 per cent less than the budgeted hours. Details are shown in table II.16.

Table II.16
Rental expenditures and flight hours

Mission aviation expenditure (United States dollars)	
Approved budget	447 279 000
Actual expenditure	418 273 000
Variance	(29 006 000)
Percentage variance	(6.48)
Total flight hours	
Budgeted	134 376
Actual	105 823
Variance	(28 553)
Percentage variance	(21.25)

339. **The Board recommends that the Administration undertake an analysis to ascertain the differences between the flight rental expenditures and those relating to actual flight hours at the various missions.**

340. The Department of Field Support explained that with regard to flight hours an internal analysis was ongoing to review the utilization of aircraft provided by Member States and under letters of assist in terms of the utilization of flight hours. Some letters of assist require military aircraft to be on standby/ground for search and rescue, deterrence and force protection. Aircraft might vary according to the pattern of operations and security situations prevailing in the operating environment.

The delay in providing and deploying aircraft before the financial year as part of the fleet composition in the new missions (MINURCAT and UNAMID) resulted in varied aircraft utilizations. Also, delays by Member States in presenting invoices for reimbursement of flight services under letters of assist had contributed to the variance observed in expenditures.

Recordings

341. At UNMIT, the number of air passengers reported by the Aviation Section and the Movement Control Section were different. Their calculations were all based on the same passenger manifest and there was no reconciliation between them. The statistics of total passengers and non-United Nations passengers in the December 2007 report from the Aviation Section were 1,081 and 112, respectively, but the statistics from the Movement Control Section were 1,055 and 127. These discrepancies affected the accuracy of information in the aviation report submitted to Headquarters.

342. **The Board recommends that the Administration ensure that the Aviation Section and the Movement Control Section of UNMIT use the same basis for computing statistics of passengers travelling on United Nations aircraft.**

343. The Department of Field Support commented that the report submitted to the Department by UNMIT was accurate because it was based on the records of the Aviation Section, which were compiled in compliance with the Aviation Manual. However, UNMIT would put in place appropriate procedures to ensure that the reports prepared by the Aviation Section and the Movement Control Section were routinely reconciled and discrepancies noted would be corrected.

344. At UNAMID, the manifests from January to March 2008 and the movement of passengers from January to May 2008 were not filed as required, and the passenger statistics of the selected months were not accurate. A discrepancy existed between the monthly figure and the subtotal of the passenger statistics.

345. **The Administration agreed with the Board's recommendation that it ensure that UNAMID: (a) strictly adhere to the requirements for the filing of manifests; and (b) improve the accuracy of passenger statistics.**

Aviation safety

346. In its report (A/62/823, para. 20), the Advisory Committee on Administrative and Budgetary Questions stressed the importance of flight safety in accordance with international standards. The Board continued to keep the issue under review and noted that at MINUSTAH, in the 2006/07 budget for air transportation, the amounts for the Rescue and Fire Fighting Services and the Meteorological Services were $3.12 million and $700,000, respectively. The Board noted that no funds in respect of the two activities had been committed during 2007/08.

347. The Board also noted that the same amount of funds budgeted during 2006/07 for the Rescue and Fire Fighting Services and the Meteorological Services was again budgeted for in the 2008/09 budget.

348. **The Board recommends that the Administration ensure that MINUSTAH take appropriate measures to utilize the amounts budgeted for the rescue and fire-fighting services and the meteorological services.**

349. The Department of Field Support inform the Board that MINUSTAH had ordered three airfield fire-fighting vehicles through a systems contract and a quantity of fire extinguishers to support aviation fire-fighting activities. The Department was processing the requisitions for the procurement of specialized equipments such as fire-fighting trailers to support mission aviation operations.

350. At MINUSTAH, not all specialized training courses proposed by the Aviation Section and recommended by the Aviation Safety Unit were budgeted for. As a result not all the recommended courses relating to aviation safety were attended by aviation staff during 2007/08.

351. **The Board reiterates its previous recommendation that the Administration provide adequate funds to MINUSTAH for specialized training courses relating to aviation safety matters.**

352. The Department of Field Support mentioned that MINUSTAH had incorporated the necessary provisions for the specialized training of staff of the Aviation Section and the Aviation Safety Unit in the budget proposal for 2009/10 in accordance with the policy and guidelines issued by the Department of Field Support.

Aircraft deployment

353. At UNAMID, 49 aircraft should be deployed in 2007/08 according to the Headquarters plan. However, the Board noted that only 37 aircraft had been deployed by June 2008.

354. **The Board recommends that the Administration ensure that UNAMID expedite the airport rehabilitation and deployment process, and ensure that there are sufficient aircraft in place to implement its mandate.**

355. The Department of Field Support commented that the delay in the deployment of aircraft was primarily due to a lack of parking space at the airport in Darfur. In order to increase parking space at airports in Darfur, UNAMID signed a memorandum of understanding with the Sudan Civil Aviation Authority on 19 January 2009, whereby short-term, temporary and long-term permanent parking areas would be constructed at the airports to meet the Mission's parking requirements. Construction of temporary parking areas is already in progress and is scheduled to be completed in June 2009 and the permanent areas by June 2010. Military aircraft deployed under letters of assist have not yet arrived in the Mission. United Nations Headquarters is working with the Governments of Ethiopia and Bangladesh for the early finalization of letters of assist and subsequent positioning of the air assets in UNAMID.

Delays in supplying aircraft

356. At UNAMID, the Board noted that 4 out of 10 aircraft had not arrived at the operating bases on the dates specified in the contracts. The delays in arrival were 75 days, 16 days, 43 days and 43 days, respectively. However, the liquidated damages of the contract were not implemented.

357. The delays could have resulted in UNAMID not having adequate air transportation services and constraining its air mobility and capability to fully perform its mandate in a timely manner.

358. UNAMID explained that aircraft clearances were the responsibility of the contractors. However, in some instances, the Sudan Civil Aviation Authorities (SCAA) was responsible for excessive delays in clearing the aircraft. In one instance, the air carrier was responsible for the late arrival of the aircraft in UNAMID; in such instances, appropriate liquidated damages were applied to the contracts.

359. **The Board recommends that the Administration ensure that UNAMID make representation to the Sudan Civil Aviation Authority with a view to expediting the clearance of the Mission's aircraft.**

360. The Department of Field Support informed the Board that UNAMID was now holding weekly meetings with the Sudan Civil Aviation Authority and all outstanding/delayed issues were being resolved in a timely manner with minimal delays in aircraft clearances.

19. Information and communications technology

Information and communications infrastructure

361. The Communications and Information Technology Services at UNLB act as the global and strategic information and communications technology hub for the United Nations field operations worldwide, the main bridge for data communications and the disaster recovery and business continuity centre by backing up all United Nations peacekeeping mission data and hosting all global software systems of the Department of Field Support.

362. The recent expansion of peacekeeping operations has resulted in the increasing requirement of data storage and the related staff in the Communications and Information Technology Services. However, of the 1,289 square metres of equipment rooms occupied by the Services, 866.2 square metres or 67 per cent were inhabited by containers or shelters where important servers and related equipment were running. The current infrastructure of the Services could affect the smooth and consistent operation of the data centre and telecommunications hub of the United Nations from the perspective of both current situations and expected future expansion.

363. **The Administration agreed with the Board's recommendation that UNLB, in conjunction with United Nations Headquarters, evaluate the current infrastructure arrangements of the Communications and Information Technology Services with a view to improving the protection of its equipment and ensure the smooth and uninterrupted operations over the long term.**

Disaster recovery and business continuity

364. At MINURCAT, the disaster recovery and business continuity plan had been drafted but had not been finalized and tested.

365. **The Board recommends that the Administration ensure that MINURCAT finalize the disaster recovery and business continuity plan as soon as possible, and update it periodically.**

366. The Department of Field Support informed the Board that MINURCAT had acted on the recommendation and the draft disaster recovery and business continuity

plan had been finalized; testing of the plan would be conducted during the first quarter of 2009.

Security for the server rooms

367. At MINUSTAH, the server and the disaster recovery rooms were not equipped with fire prevention equipment. In addition, the servers were located in the same premises with the satellite workshop and the telephone exchange office. Only one entrance point was used to access these premises and the entrance to the premises was not restricted to unauthorized persons at all times. The satellite workshop and the telephone exchange personnel had free access to the premises at all times during working hours.

368. Without fire prevention equipment, there is a risk that in the event of fire all the equipment might be damaged, resulting in financial loss and the loss of critical information. Without adequate access restrictions, there is also a risk that the servers might be subject to malicious damage.

369. **The Administration agreed with the Board's recommendation that it ensure that MINUSTAH: (a) install fire prevention equipment in its disaster recovery and server rooms; and (b) maintain the servers in secured premises to which access is restricted only to authorized personnel.**

Application controls of the Sun system and the Mercury system

370. The Sun system is used by the missions for the maintenance of the accounting ledger and the processing of purchase orders. The Mercury system is software used by the missions for procurement. Once a purchase order is created and approved on the Mercury system, it is uploaded into the Sun system for processing into the general ledger.

371. At UNMIK, the Mercury system did not time-out or lock the system to bar the user from further attempts of unauthorized access, and did not log users out after prolonged periods of inactivity. The Sun system also did not indicate error messages or prevent payment when the payment amount exceeded the obligated amount on the system. Payments could therefore be made above the initial approved amount in the Mercury system.

372. **The Administration agreed with the Board's recommendation that it ensure that UNMIK address the application control weaknesses of the Mercury and Sun systems.**

Interface between the Mercury system and the Sun system

373. At UNMIK, the interface between the Mercury system and the Sun system was implemented early in 2008, which allowed the extraction of data from the Mercury system and the importation of such data into the Sun system. However, this process was subject to the manual uploading of data. In addition, there was no reconciliation of obligations performed between the Mercury system and the Sun system and thus any errors or discrepancies could not be identified in a timely manner.

374. **The Board recommends that the Administration ensure that UNMIK examine the feasibility of enhancing the interface function between the two systems in order to reduce the manual uploading of data.**

375. **The Board also recommends that the Administration ensure that UNMIK perform reconciliations of the obligations between the Sun and Mercury systems on a periodic basis and follow up on discrepancies.**

376. The Department of Field Support commented that, with the current disconnect between the two systems, it would be difficult for such a reconciliation to be carried out. However, in the funds monitoring tool, there were reports, including the "Mercury to Sun purchase order gap" report, which provides information for the recommended reconciliation to be performed. The Department of Field Support would remind UNMIK to review the obligations in the Mercury and the Sun systems on a monthly basis using the funds monitoring tool.

Galileo input application controls

377. At UNIFIL, some of the records in the Galileo system did not have the information related to the make or model of equipment, both of which are required by the Property Manual. This indicated that there was no input control in place over the minimum information. In addition, the input control was not in place between the fields of entry on duty mission and entry on duty United Nations to ensure that the entry on duty mission is not earlier than the entry on duty United Nations.

378. Concerning the work order process, any Galileo user in the Generator Unit could sign in using the name of another responsible person. This would make it difficult to identify the accountability between the provider and the receiver of goods/service. A similar observation was made in the transport, communications and information technology sections.

379. **The Board recommends that the Administration ensure that UNIFIL improve the input controls of the Galileo system to ensure the accuracy and integrity of inventory information.**

380. The Department of Field Support informed the Board that UNIFIL had referred the input control to the Galileo Change Management Board for consideration in future system upgrades. Meanwhile, the blank make/model fields had been updated.

Lotus Notes accounts

381. At UNIFIL, all civilian staff members were assigned an e-mail account. Functions within each military contingent were also performed through e-mail accounts. All the military accounts were generic instead of private because the users of functions in a military contingent rotate regularly.

382. At one Member State's battalion, the rations food officer shared a Lotus Notes account with the contingent. This resulted in the unsafe use of the Lotus Notes account. A similar observation was made in respect to two other battalions.

383. **The Administration agreed with the Board's recommendation that it ensure that UNIFIL assess the risk of not assigning unique accounts to military contingents and take appropriate action to ensure the safe use of the Lotus Notes accounts.**

20. Human resources management

Vacancy and turnover rates

384. Based on the data provided by the Department of Field Support, the Board noted that the overall average vacancy rate in the missions had increased from 23 per cent at 30 June 2007 to 27 per cent at 30 June 2008.

385. The Board also noted that, in field missions, the average vacancy rate of senior and middle level posts from P-4 to D-2 was 36 per cent. Details are shown in table II.17.

Table II.17

Vacancy rates of senior and middle level posts in field missions as at 30 June 2008

Grade	*Total posts*	*Vacant posts*	*Vacancy rate (Percentage)*
D-2	54	20	37
D-1	179	54	30
P-5	501	204	41
FS-7/P-4	1 319	466	35
Total	**2 053**	**744**	**36**

Note: Based on data provided by the Department of Field Support.

386. The failure to fill vacant posts especially in critical positions will result in undue work pressure being placed on existing staff. It will also place a burden on the delivery of mission mandates and the proper functioning of internal control systems.

387. At UNAMID, 2,789 posts or 56 per cent of the 5,021 authorized posts were vacant as at 30 June 2008; vacancy rates amounted to 81 per cent in the Property Management Section and 78 per cent in the Contingent-owned Equipment Unit. The shortage of staff resulted in the Section and the Unit not carrying out the full functions as required by the policies and guidelines. For example, the Property Management Section physically verified only 6 per cent in quantity or 5 per cent in value of total non-expendable property.

388. At UNMIS, 359 staff separated from the Mission in 2007/08. Analysis showed that the turnover rate of international staff was 24 per cent higher than that of national staff.

389. The Board was informed that the reasons for the high vacancy and turnover rates were mainly attributed to the long recruitment process, difficulties in finding staff with professional qualifications and experience, security situation and job environments, and lack of competitive salary compared with local commercial organizations.

390. At MINURCAT, a recruitment workplan had been developed for the substantive sections, but there was no such workplan for the administrative section. The recruitment workplan would identify and agree on critical staff to be recruited

with priority. To some extent, the lack of such a workplan had adversely affected the recruitment work of MINURCAT.

391. **The Board reiterates its recommendation that the Administration take urgent measures to fill vacancies in the missions to enable them to execute their mandates effectively.**

392. **The Board recommends that the Administration ensure that MINURCAT develop a recruitment workplan for the administrative section on the basis of prioritized recruitment needs.**

393. The Department of Field Support commented that it would continue to work closely with all missions to reduce the overall vacancy rate. The Department had adopted strategies to manage and reduce vacancy rates, which included field mission visits by the Field Personnel Division, the production of monitoring vacancy reports and inputs from the field, as well as the participation of staff of the Division in video teleconferences with senior managers and chief civilian personnel officers in the field.

Recruitment lead time

394. The Secretary-General determined a maximum target of 120 days to fill posts through effective human resources planning (see A/55/253 and Corr.1). In the human resources action plans issued by the Department of Field Support on 18 February 2008, the targeted duration for recruitment is 75 days.

395. At UNMIS, on the basis of sample tests carried out from completed recruitments under the 2007/08 budget, the average time to complete a recruitment process was 171 days. Analysis showed that, on average: (a) it took programme managers 50 days to make a selection, 20 days longer than the target of 30 days; and (b) 121 days were spent to finish the recruiting processes and procedures between the mission and Headquarters, 76 days longer than the target.

396. Based on a sample analysis, the Board noted that the longest lead times identified in MONUC and UNMIL were 507 and 333 days, respectively.

397. The Board noted that the screening of all candidates had to be done at Headquarters and the lengthy time taken for review by programme managers of respective candidates might have contributed to the delays in recruitment. The Board is concerned that the long recruitment process might be one of the main causes for the high vacancy rates in missions.

398. **The Administration agreed with the Board's recommendation that it ensure that UNMIS, MONUC and UNMIL take appropriate measures to reduce recruitment lead times.**

Gender balance

399. The achievement of gender balance in the workplace continues to remain a challenge for peacekeeping operation. For example, the overall gender balance statistics of MINUSTAH indicated that it had 17 per cent female representation in its staff complement as at 30 June 2008, while at MONUC, women represented 15 per cent as at 30 June 2008. A similar observation was noted at UNMIK, UNMIL, UNIFIL and MINURCAT, as shown in table II.18 below.

Table II.18

Gender ratios (male to female) at UNMIK, UNMIL, UNIFIL and MINURCAT as at 30 June 2008

Mission	*Gender ratios* *International staff*	 *National staff*
UNMIK	67:33	73:27
UNMIL	67:33	80:20
UNIFIL	72:28	75:25
MINURCAT	71:29	84:16

400. **The Administration agreed with the Board's reiterated recommendation that it intensify its efforts to achieve the target of a 50/50 gender balance.**

Individual contracts

401. One of the objectives of individual contractors not to exceed 9 months in any period of 12 months was to prevent the expectation by individual contractors of any long-term or permanent employment which could result in grievances and/or disputes.

402. At UNMIL, a waiver was requested on 12 January 2008 to retain 238 individual contractors beyond the nine-month limit for a period of three or six months. These contracts reached the maximum nine-month period allowable on 31 December 2007, and 206 contracts were extended for three months to 31 March 2008, and 32 contracts were extended for six months to 30 June 2008. The request for the extension of individual contracts beyond nine months only occurred after the date that the relevant contracts had reached the maximum nine-month period on 31 December 2007.

403. **The Board recommends that the Administration ensure that UNMIL carefully monitor service contracts to avoid the possibility of extending existing contracts without adequate justification.**

404. The Department of Field Support commented that the extension of the appointments of the individual contractors beyond nine months had been granted on an exceptional basis and the required approval had been obtained from the United Nations Headquarters.

Family relationship

405. The Board observed that as at 21 September 2008, 37 staff members in UNIFIL bore a family relationship of brother or sister to other staff members in the Mission. In the General Service Section, of the 74 total staff members, 12 people bore the relationship of brother, accounting for 16 per cent of the total staff in the Section.

406. The Board also noted that between 1 July 2007 and 30 June 2008, three candidates who bore the relationship of brother or sister to another staff member and

had worked in UNIFIL for many years as individual contractors were converted from individual contractors to fixed-term appointments.

407. **The Board recommends that the Administration ensure that UNIFIL: (a) avoid assigning staff members with family relationships to the same section; and (b) adhere strictly to the time limit for the engagement of individual contracts.**

408. The Department of Field Support commented that it expected all missions, including UNIFIL, to fully comply with the relevant regulations and rules concerning family relationships and the hiring of individual contractors. The Department would continue to monitor and provide guidance to the Mission as and when required on issues related to national staff. Meanwhile, UNIFIL confirmed that it was now in full compliance with the recommendation in its human resources practices.

Human resources action plans and recruitment workplan

409. The Department of Peacekeeping Operations and the Department of Field Support decided to implement human resources action plans in United Nations peacekeeping operations effective 1 July 2008.

410. The missions had not yet developed a human resource action plan for 2008/09 although the year had already progressed.

411. **The Board recommends that the Administration ensure that missions establish human resources action plans as required by the Department of Peacekeeping Operations and the Department of Field Support.**

412. The Department of Field Support commented that the formal launch of the human resources action plans in all missions funded from special assessed contributions was announced in a code cable dated 28 July 2008, and missions were requested to review the baseline figures and targets as a first step in the formal launch.

Training and performance appraisal system

413. At UNMIS, of the 159 training courses approved in the budget, only 65 courses or 41 per cent were conducted in 2007/08.

414. At UNAMID, in 2007/08, of the 29,361 staff planned to be trained, only 769 staff were trained. The Board also noted that there were no training records in the staff members' files, no training certificates and no annual training reports.

415. The Board is concerned that the inadequate training could affect the enhancement of staff members' capability and delay the missions' ability to achieve their objectives.

416. **The Board recommends that the Administration ensure that UNMIS and UNAMID monitor the execution of their training plans.**

417. The Department of Field Support commented that UNMIS had acted on the recommendation. The Mission had developed a plan to guide its training activities. The Department also commented that UNAMID had established a system to monitor both internal and external training in accordance with its approved training budget. The system had been in operation since December 2008 and it had improved the

record keeping on the training of individuals for both external and internal training, including certification. Furthermore, weekly and monthly reports were generated by the system to facilitate reporting on training activities on an annual basis.

418. UNMIK, MINUSTAH, MONUC and UNMIL had not established a management review committee or a joint monitoring committee as required by the Human Resources Manual.

419. **The Administration agreed with the Board's recommendation that it ensure that UNMIK, MINUSTAH, MONUC and UNMIL finalize the appointment of their management review committee.**

420. At MONUC, sample tests carried out on performance appraisal system records showed that three (12 per cent) performance appraisal records had been signed off in July 2008, which was after the date in which the management review committee would have reported to the Office of Human Resources Management. The Board also noted that 374 international staff, or 40 per cent of the total 942 international staff, did not have performance appraisals in 2007/08.

421. **The Board recommends that MONUC implement procedures to ensure that performance appraisals are completed and signed off within the specified time frame.**

422. MONUC indicated that training sessions had been offered to senior management and other levels across MONUC to emphasize the consequences of non-compliance with established procedures relating to the performance appraisal system. A circular had also been issued to MONUC staff stressing the importance of the appraisal system.

Mission subsistence allowance

423. At UNOCI, the mission subsistence allowance amounted to $56.5 million, or almost one third of the total expenditure in 2007/08. The payment of this allowance was made every month based on the verification of attendance data from information available in the Matrix management tool for international personnel only. For other categories of personnel, the procedure for the transfer of the data was complex and was processed manually several times. This processing constituted a potential source of error. Furthermore, the procedure was not documented.

424. **The Administration agreed with the Board's recommendation that it ensure that UNOCI: (a) set up a documented procedure for the payment of the mission subsistence allowance; and (b) consider the possibility of integrating other categories of personnel in the Matrix management tool.**

425. Following the audit, UNOCI had reviewed its mission subsistence allowance payment procedure and had designated dedicated officers to be responsible for processing mission subsistence allowance payments. In addition, work within the personnel and finance sections had been rearranged to allow for more effective operations of internal checks on payment of the mission subsistence allowance. The Department of Field Support, in coordination with the mission, would study the possibility of integrating the relevant information on military and police personnel in the Matrix system to facilitate the processing of the mission subsistence allowance.

Statistical analysis of misconduct

426. At MONUC, the Board obtained and reviewed the statistical analysis of misconduct allegations received by the Conduct and Discipline Unit for the period from 1 January to 30 June 2008, dated 27 July 2008. The Board focused on cases involving civilian staff members of MONUC.

427. The analysis showed that 20 investigations were submitted to the Office of Human Resources Management for initiation of disciplinary action. Five of the cases involved international staff members while 15 involved national staff members. The cases involved theft, fraud, threats against colleagues and transactional sexual services.

428. The statistical analysis also indicated that 16 of the 20 cases had been pending with the Office of Human Resources Management as early as March 2006.

429. **The Board recommends that the Administration expedite the investigation and finalization of all cases of misconduct.**

430. The Department of Field Support commented that the Department of Management had recently instituted mission level joint disciplinary committee panels which had deliberated on a number of long-standing cases. The Conduct and Discipline Unit of the Department of Field Support was initiating efforts for greater collaboration with the Department of Management for the speedy resolution of the conduct and discipline cases.

Oath of office

431. At MONUC, on the basis of sample tests carried out on staff recruitment files, three files did not have evidence that the staff members had signed the oath of office document.

432. **The Administration agreed with the Board's recommendation that it ensure that MONUC take appropriate measures to ensure that the oath of office document is signed and filed during a staff member's appointment process.**

21. Integrated mission planning process

433. The integrated mission planning process is designed to facilitate achievement of integrated missions by establishing a planning process that engages the capacities of all parts of the United Nations system relevant to achieving an impact in a given country setting. The draft guideline notes on the integrated mission planning process endorsed by the Secretary-General's Policy Committee in June 2006, provide for the periodic review of a mission's plan throughout the life of the mission. The objective is to ensure that the plan remains relevant and up-to-date, and is harmonized within the broader United Nations objectives, planning and other processes. The integrated mission planning process is the authoritative basis for the planning of all new integrated missions, as well as the revision of existing integrated mission plans, for all United Nations departments, offices, agencies, funds and programmes.

The finalization of the integrated mission planning process guidelines

434. According to the report of the Secretary-General (A/62/784, para. 104), the draft integrated mission planning process guidelines were to be finalized during the

third quarter of 2008. The Board noted that the integrated mission planning process guidelines had not been finalized at the time of the audit. As a result, the Board was unable to assess the effectiveness of the guidelines, as requested by the Advisory Committee on Administrative and Budgetary Questions (A/62/823).

435. **The Administration agreed with the Board's reiterated recommendation that it take steps to ensure that the integrated mission planning process guidelines are finalized as early as possible.**

436. The Department of Peacekeeping Operations informed the Board that the guidelines would be finalized during the second quarter of 2009.

The implementation plan for the integrated mission planning process

437. In 2006, the Secretary-General decided that the Department of Peacekeeping Operations would lead an inter-agency team to implement the integrated mission planning process, and would produce an implementation plan that included an overview of financial and human resource requirements. The Board noted that the implementation plan, which would include an overview of financial and human resource requirements, was still under consideration by the Department of Peacekeeping Operations.

438. The Board was informed that in May 2008, the Department of Peacekeeping Operations had assigned one integrated mission planning officer, who assumed her function in mid-September 2008. The integrated mission planning process working group, chaired by the Department of Peacekeeping Operations, had been developing its workplan for the year 2009. The plan focused on the presentation of draft guidelines for final review.

439. **The Board recommends that the Administration expedite the development of the implementation plan for the integrated mission planning process, which will include an overview of financial and human resource requirements, as early as possible.**

The establishment of an integrated mission planning team

440. Integrated missions are required to establish an integrated mission planning team as the country-based body responsible for strategic planning in an integrated mission setting.

441. The Board noted that UNMIT and UNAMID had not set up an integrated mission planning team for 2007/08 and that the Department of Peacekeeping Operations had no information on the existence of integrated mission planning teams in the field.

442. **The Board recommends that the Administration expedite the establishment of integrated mission planning teams at all identified missions.**

443. The Department of Peacekeeping Operations commented that it would be able to develop an implementation plan once the guidelines for an integrated mission planning process were released in the second quarter of 2009. The implementation plan would be an interdepartmental and inter-agency plan that identified resources budgeted by Secretariat departments and United Nations funds, programmes and agencies in the integrated mission planning process working group. A common financial and human resource requirement would be too difficult given the

fragmented budget streams of the stakeholders. In that context, the Department of Peacekeeping Operations would be depending on the other stakeholders to continue to dedicate resources to the integrated mission planning process.

22. Quick-impact projects

444. Quick-impact projects are intended to have a fast and visible impact in the local community. These projects are used by United Nations peacekeeping operations to establish and build confidence in a mission, thereby improving the environment for effective mandate implementation. For 2007/08, nine missions established quick-impact projects with a total appropriation of $7.95 million.

Project implementation

445. The Board noted that there was underutilization of financial resource within the appropriate time frame at MONUC and UNMIS, detailed as follows:

(a) At MONUC, the total budget allocated to quick-impact projects for 2007/08 was $1 million. Only $258,907 of the total budget was disbursed, resulting in 74 per cent of the budget unexpended at the end of the financial year;

(b) At UNMIS, the total budget allocated to 100 quick-impact projects was $1 million. UNMIS approved 38 quick-impact projects for 2007/08. However, only $79,376 had been disbursed at the end of the financial year.

446. The Board also noted that some quick-impact projects were not completed within the expected date, as follows:

(a) At MINUSTAH, of 25 sampled quick-impact projects, 18 projects were not completed within the expected date. In addition, 15 projects or 60 per cent were still not completed at the time of the audit even though their expected completion date had passed. The Board noted that there were no appropriate monitoring procedures established to track the actual implementation date of the projects;

(b) At UNMIS, of the 38 approved quick-impact projects, only one project or 3 per cent had been undertaken and completed as at 30 June 2008. Some 30 projects had not yet started while 2 projects were ongoing and 5 projects were cancelled;

(c) At UNMIL, of the 49 quick-impact projects established, 30 projects were still being implemented, and the degree of completion of 26 projects was lower than 70 per cent;

(d) At UNIFIL, of the 25 approved quick-impact projects valued at $0.5 million, 10 projects were delayed in 2007/08. Among the delayed projects, four were ongoing as at 30 June 2008. Two projects had been ongoing for 257 days up to the date of the audit.

447. The Board is concerned that delays in the implementation of quick-impact projects would compromise the attainment of projects objectives.

448. **The Administration agreed with the Board's recommendation that it ensure that all missions carefully monitor all quick-impact projects so that projects are executed in a timely manner.**

449. MINUSTAH had reinforced its project monitoring through regular field visits and the use of a specialized database developed for staff involved in the

management of quick-impact projects. MONUC had identified measures to improve the management of its quick-impact projects.

Guidelines

450. According to the request made by the Advisory Committee on Administrative and Budgetary Questions in its report (A/62/823, para. 23) on quick-impact projects, the Board continues its review in this regard. The Board noted that in a policy directive issued on 12 February 2007, the Department of Peacekeeping Operations required that guidelines be developed to assist missions in the establishment of appropriate and effective mechanisms and procedures for the management of quick-impact projects. Despite the assurance provided by the Secretary-General in his report (A/62/784, para. 106) that the guidelines would be completed by the second quarter of 2008, the Board noted that the guidelines had not been finalized by the end of the financial year.

451. **The Board reiterates its previous recommendation that the Administration take appropriate measures to expedite the completion of the guidelines relating to quick-impact projects and to ensure that they are implemented at all missions.**

452. The Department of Peacekeeping Operations reported that it had finalized the guidelines relating to quick-impact projects, which had been submitted to senior management for review and approval. Once approved, the document would be circulated to all field missions for compliance.

23. Resident auditors

Implementation of the audit plan

453. Over the years there has been an increase in the number of missions where resident auditors were deployed, from 3 in 1998 to 13 in 2008. The Office of Internal Oversight Services deploys resident auditors using a ratio of one auditor to every $100 million of budgeted expenditure, and adopts a risk-based approach in the conduct of its audits.

454. In its report (A/62/823, para. 24), the Advisory Committee on Administrative and Budgetary Questions requested the Board to continue its reviews of the implementation of the annual workplans of the Office of Internal Oversight Services. The Board reviewed the work of the Office of Internal Oversight Services relating to internal audit coverage of peacekeeping operations. The purpose of the review was to ascertain the extent to which reliance could be placed on the work of the Office of Internal Oversight Services. As it did in its previous report, the Board again noted that the Office of Internal Oversight Services had not completed a significant portion of its planned audits based on its risk assessment. The incomplete audit coverage results in the Office of Internal Oversight Services not addressing all the significant risks and thus providing less assurance than if it had fully executed its workplan.

455. The Office of Internal Oversight Services plans its audit activities on an annual basis with a rolling three-year plan. The Board noted that in 2007, there were 201 peacekeeping audits planned. Of the planned audits, only 65 audits, or 32 per cent, were completed as at 31 December 2007, compared with 48 per cent in 2006.

Table II.19 shows the comparison of implementation of the audit workplan in 2008 with that of 2007 and 2006.

Table II.19
Implementation of the audit workplan in 2006, 2007 and 2008[a]

Year	*Planned audits*	*Completed audits*	*Percentage of completion*
2006	201	86	48
2007	201	65[b]	32
2008	179	67[c]	37

[a] The data on the audit plan in 2007 were different from that in the previous report, because the data in the previous report comprised statistics as at 30 June 2007 that had been adjusted in the second half of the year.

[b] Including nine audits for which the draft reports had been issued.

[c] The data of completed audits in 2008 were as at 30 June 2008.

456. Analysis of 183 planned audits to be carried out at peacekeeping field missions in 2007 indicated that 60 audits, or 33 per cent, had been cancelled as at 31 December 2007.

457. At MINUSTAH, of the nine audit assignments planned for the year 2007, four audit assignments or 44 per cent were completed during 2007, and five audit assignments or 55 per cent were carried forward to 2008. In the five audits that were carried forward to 2008, three audit reports or 60 per cent were issued during April 2008. Apart from the five audits carried forward from the prior year, eight audits were planned in the calendar year 2008. Some 38 per cent of the planned audits were still in draft stage while 13 per cent were at the planning stage and 50 per cent were not yet started as at 31 August 2008.

458. At MONUC, of the 23 assignments planned for the year ended 31 December 2008, only 4 or 17 per cent were finalized, 8 or 35 per cent were still in draft, while 10 or 44 per cent were not started and 1 or 4 per cent assignment was in the fieldwork stage of the audit.

459. At UNMIS, of the total 13 planned audits in 2007, only 2 or 15 per cent were undertaken and completed as at 31 December 2007, while 6 audits were ongoing, 2 audits were not started and 3 audits were cancelled. In 2008, of the total 14 planned audits, 6 audits were ongoing, and 8 audits were not started as at 20 August 2008.

460. At UNMIK, of the six assignments planned in 2007, three were cancelled due to the unplanned audit of mandate implementation that utilized most of the resources of the resident auditors during 2007. Only two audits were completed during the year. The Board noted long delays of up to seven months to finalize audits relating to the mandate implementation.

461. At UNOCI, the workplan of the resident auditor in post in Abidjan, adopted on 5 February 2007, provided for the carrying out of 12 audits during 2007. The revised plan, consulted during the Board's audit in September 2008, showed the carrying out of 2 audits out of the 12 from the initial plan, as 5 audits were cancelled and the 5 others were replaced by other matters deemed to have priority during the

year. Moreover, the resident auditor had also carried out in 2007 three audits planned and started in 2006, and whose full execution had been deferred to 2007, considering the availability of the personnel, which was less significant at the end of the year. Concerning the five audits planned in 2007 in replacement of those cancelled, two were carried out but the other three were in the final stage of preparation, which means that a minimum of nine months had passed between their launch in 2007 — assuming that they were launched in December 2007 — and their full execution.

462. At UNMIL, two audits that were in progress in 2007 were not completed as an auditor left the mission. Seven audits were not started during the year and the Office of Internal Oversight Services had only finalized five reports in 2007 that were started in 2006. Due to the backlog of previous years' audits, none of the eight audits planned for 2008 were started and only two audits were finalized. In addition, seven audits not started during 2007 were not carried over to the 2008 audit workplan. The Office of Internal Oversight Services has thus provided less assurance to UNMIL on those unaudited areas even though they would have been identified as risk areas during the risk assessment.

463. **The Board reiterates its recommendation that the Office of Internal Oversight Services carefully monitor the workplans of the resident auditors to ensure that the audits are executed and finalized in a timely manner.**

464. The Office of Internal Oversight Services explained that the recommendation had been implemented. Before 2008, the workplan of resident auditors was based on the assumption that each resident auditor would contribute audit time of 180 days per year. In practice, the Office of Internal Oversight Services found this assumption to be inaccurate because no provision had been made for occasional recuperation breaks, to which each resident auditor was entitled. Furthermore, chief resident auditors were required to attend routine meetings with senior management in the missions, which correspondingly reduced the time available for audit. Therefore, starting from 2008, the Office of Internal Oversight Services had revised the workplanning assumptions. Each peacekeeping resident auditor was budgeted to yield 150 days of audit time, and each chief resident auditor was budgeted to yield 120 days of audit time.

465. The Office of Internal Oversight Services commented that it was not expected that all assignments in the 2007 and 2008 workplans would be completed by 31 December 2007 and 2008, respectively. The annual workplan only reflected the estimated amount of audit time that would be spent on each planned assignment during the period from 1 January to 31 December. Since April 2008, the Office of Internal Oversight Services had been holding monthly meetings to more closely monitor the implementation of the workplan. The exercise had been effective in improving productivity, reviewing priorities and identifying any obstacles and constraints in carrying out the workplan.

466. The Board noted that of the 60 cancelled audit assignments planned in 2007, 9 audits were deferred to 2008 according to amendment documents. However, the nine audits were not included in the 2008 workplan.

467. **The Board recommends that the Office of Internal Oversight Services ensure that all deferred audit assignments be included in the following year's workplan.**

468. The Office of Internal Oversight Services indicated that workplanning is a continuous process that is based on emerging priorities and risks. The audits deferred in 2007 were, in many cases, included in the 2008 workplan wherever appropriate. If they were not included in the 2008 workplan, it was because of a valid reason. At any rate, it was impractical to include those 2007 assignments in the 2008 workplan at this stage of the year. The Board is, however, of the view that if the audits deferred in 2007 were not included in the 2008 workplan, there should be adequate documented reasons for not doing so.

Vacancies in resident audit

469. In its report (A/62/823, para. 26), the Advisory Committee on Administrative and Budgetary Questions expressed serious concern about the impact of the high rate of vacancies among resident auditors and requested the Board to provide an update in its next report. The Board noticed that in 2007 13 audits were cancelled due to a shortage of staff, representing 22 per cent of the cancelled audits. The vacancy rate for resident auditors as of July 2008 was 36 per cent. While the Board recognized that the Office of Internal Oversight Services devoted substantial resources to recruiting staff, it is concerned that vacancy was one of the main causes for the inadequate implementation of the audit plan.

470. Based in UNIFIL, the Middle East Regional Audit Office of the Office of Internal Oversight Services provided audit services to five peacekeeping and political missions, namely UNIFIL, UNDOF, UNFICYP, UNTSO and the Office of the United Nations Special Coordinator in the Occupied Territories. The Board noted that because of the long recruitment process there was a high staff vacancy rate in the Middle East Regional Audit Office. In 2007, of the nine posts approved, seven posts, or 78 per cent, were vacant as at 31 December 2007. The Office of Internal Oversight Services informed the Board that, as at 19 November 2008, all vacant posts had been filled, albeit offers were still under preparation for three of them.

471. At UNMIS, of the 11 posts approved, 3 posts or 27 per cent remained vacant as at 31 December 2007. During 2007, four resident auditors left, contributing to a 50 per cent turnover rate. As at 23 August 2008, of 11 posts approved, 3 posts or 27 per cent remained vacant and 2 current staff were expected to leave office.

472. The resident auditor office of UNMIL suffered a lack of resources in 2008, where vacancy rates increased to 33 per cent, which exceeds the vacancy rates for UNMIL in general. The resident auditor's office also lost staff for extended periods due to staff being on long medical leave and auditors temporarily assigned to other missions.

473. At UNAMID, for 2007/08, 12 posts were planned for resident auditors. However, the Board noted that there was no resident auditor in UNAMID before 3 June 2008. There were also only 2 resident auditors in UNAMID from 18 to 30 June in 2008. As a result, during 2007/08, no audit workplans or audit assignments were undertaken by resident auditors at UNAMID.

474. The Board is concerned that the high staff vacancy rate would delay the completion of the audit plan in some high-risk areas.

475. **The Board reiterates its recommendation that the Office of Internal Oversight Services expedite the filling of all resident auditor posts to ensure the effective internal audit coverage of all missions.**

476. The Office of Internal Oversight Services explained that during 2007/08, six recruitment exercises were conducted and that 50 candidates were invited to participate in written tests, interviews and group discussions, resulting in the selection of 33 candidates who were added to the roster of resident auditors. In addition, 25 candidates were interviewed for the posts of Audit Assistants in the Field Service category, of which 18 were rostered. Additional recruitment exercises were initiated in October 2008 to further expand the roster. The Office of Internal Oversight Services explained that in view of the hardship conditions at most peacekeeping duty stations, it was difficult to attract qualified candidates in sufficient numbers. Notwithstanding the constraints, the Office of Internal Oversight Services continues to reinforce its efforts to manage the vacancy rate and bring it to an acceptable level.

Lead time

477. As stated in the audit management process flowcharts issued in January 2008 by the Internal Audit Division of the Office of Internal Oversight Services, the timeline taken by the Office to review draft audit reports ranges from 5 to 23 working days. It also takes up to 22 working days to obtain a response from management.

478. At UNMIS, the Board noted that the average 113 days delay in the process consisted of 43 days delay for field work and 70 days delay for the Office of Internal Oversight Services to review draft reports.

479. At UNMIL, for the three audits finalized during 2007/08, the Board noted that there were significant delays in issuing the audit reports.

480. There is a risk that delayed reports would not reflect the conditions that prevailed during the audit and/or conditions might have changed significantly with the result that the effort and results obtained by the audit might be negated. In addition, delayed reporting would also result in a backlog of audits.

481. **The Board recommends that the Office of Internal Oversight Services ensure that the resident audit offices at UNMIS and UNMIL observe the deadline for field work.**

482. **The Board also recommends that the Office of Internal Oversight Services improve the efficiency of reviewing draft reports so as to shorten the audit cycle.**

483. The Office of Internal Oversight Services commented that the estimated total time requirements and target dates for an audit might change during the audit execution. Also, performance standards had been established for processing and issuing audit reports. To ensure compliance with the standards, the Office of Internal Oversight Services had clarified the responsibilities of resident audit offices in the drafting of audit reports and was providing hands-on training on report-writing. Together those measures should help to shorten the report review cycle.

Results of internal audits

484. A review of the report of the Office of Internal Oversight Services on peacekeeping operations for the period from 1 January to 31 December 2007 (A/62/281 (Part II)), indicated several deficiencies in internal control. The report also indicated several instances of integrity violations and mismanagement at some missions.

24. Cases of fraud and presumptive fraud

485. In accordance with paragraph 6 (c) (i) of the annex to the Financial Regulations and Rules of the United Nations, the Administration is required to report to the Board all cases of fraud and presumptive fraud. The Board received a report on 12 cases of fraud or presumptive fraud that occurred during the period under review. The following summarizes 11 of the 12 cases:

(a) At UNIFIL, a staff member was suspected of having falsified his attendance sheet to claim overtime and hazard allowances. The Mission had requested disciplinary action against the staff member with a view to summary dismissal. The case had been transmitted to Headquarters to the Department of Field Support;

(b) At UNIFIL, a number of individuals misappropriated UNIFIL-owned food, equipment and property at the UNIFIL headquarters northern mess. No estimations were possible as the taking away of food/property appeared to have been going on for a long time. The Mission took action with respect to eight individuals. A standard operating procedure was established for the streamlining of the issuance and approval of food in the northern mess. The functions of the northern mess were also outsourced;

(c) At UNIFIL, there was a contract for the construction and erection of various prefabricated buildings with a value of $1.93 million. The execution of the contract was not in accordance with the statement of works and/or the terms and conditions outlined in the purchase order. The case was still under investigation;

(d) An investigation team conducted a thorough investigation in February 2008 regarding information from the Lebanese Armed Forces headquarters on UNIFIL soldiers giving some military uniforms to Lebanese civilians and selling some UNIFIL merchandise to Lebanese traders. The amount involved was not estimated and no one in particular had yet been identified;

(e) The Supply Unit reported that 14 water dispensers were not handed back to the Nada General Supply Office after a new contractor took over the supply of mineral water. Of the 14 missing water dispensers, 11 were valued at $2,420. The Supply Unit had since established a database indicating the location of the water dispensers. A staff member was required to sign for the dispensers at the time they were issued. Further investigation was to be made to finalize the case;

(f) At UNIFIL, a staff member submitted a misleading travel claim for reimbursement for the period from 26 to 31 July 2007 while neither the hazard pay sheet nor the attendance record showed that she was on travel duty. The amount involved was four days of hazard pay;

(g) At UNMEE, the travel claims for initial travel to UNMEE of six military observers and staff officers appeared fraudulent. The invoices submitted in support of the travel claims did not show any addresses or telephone numbers of the particular businesses used for the provision of hotel accommodation, meals and taxi fares. After detection, three military observers and staff officers withdrew their travel expenses claim in the amount of $586;

(h) At MINUSTAH, a ground fuel supplier's truck driver attempted to exit the Mission's fuel depot with one compartment with a capacity of 1,000 gallons still full of fuel. One MINUSTAH national staff member in the Fuel Unit was found to be involved in the attempted deception. The amount involved was $2,754. The national staff member involved was removed from the fuel receiving operations. Administrative action (including dismissal) was recommended against him as a result of the investigations. The Mission introduced extra vigilance in the fuel offloading procedures and removed the air eliminator which could be manipulated to allow the fuel meter to continue counting and registering even when the fuel flow from the truck was cut off;

(i) At MINUSTAH, following an inspection by the Chief of the Fuel Unit and the inspection of the Fuel Fraud Cell, it was noted that the fuel representative had not been providing adequate oversight in regard to aviation fuel operations and in particular to the essential records system. It was also observed that the meter totalizing records at the vehicle dispensing point were being adjusted. This case was still under investigation;

(j) At MINUSTAH, a national staff member was offered a part-time job in a local security company from May 2007 to May 2008. He was unaware that special authorization needed to be obtained for a staff member to have a part-time job. As soon as he was made aware of that information, he resigned from his part-time job. It was worthwhile noting that the same staff member was also investigated for another case of fraud/presumptive fraud. The case was currently pending;

(k) At MINUSTAH, a national staff member held a part-time job in the National Port Authority since 2004. She delivered sensitive strategic information on the United Nations to the National Port Authority and delivered personal information on another staff member, who was assigned to validate sensitive information, to the former Director of the National Port Authority. She was reported to be involved in a corruption network where she received money from persons who wanted to be hired as casual labour with the Engineering Section at Cap Haïtian. It was worthwhile noting that the same staff member was also investigated for other two cases of fraud or presumptive fraud. The investigation had been initiated and the Conduct and Discipline Unit in MINUSTAH had sent the case to New York for decision.

486. In addition, a report of a special task force set up by the Office of Internal Oversight Services revealed that two staff members in MONUC had steered United Nations contracts to a preferred vendor by providing the vendor with confidential documents and information. The task force recommended that appropriate action be taken against the two staff members involved in the scheme, as well as that the Procurement Service permanently debar the individuals, who had participated in the vendor's solicitation, from conducting any business with the Organization. The task force also recommended that the Organization suspend the vendor from the United Nations vendor database.

487. The above-reported cases do not reflect the entire universe of fraud and presumptive fraud cases system-wide, as some cases might be under review by other offices or units and not yet reported to the Board.

C. Acknowledgement

488. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations, the Under-Secretary-General for Field Support, the Under-Secretary-General for Internal Oversight Services, the United Nations Controller and members of their staff, as well as to the staff at the missions.

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa
(Chairman, United Nations Board of Auditors)

(*Signed*) **Liu** Jiayi
Auditor-General of the People's Republic of China
(Lead Auditor)

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France

13 February 2009

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Peacekeeping Force in Cyprus (UNFICYP)
2. United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)
3. United Nations Interim Force in Lebanon (UNIFIL)
4. United Nations Mission for the Referendum in Western Sahara (MINURSO)
5. United Nations Observer Mission in Georgia (UNOMIG)
6. United Nations Interim Administration Mission in Kosovo (UNMIK)
7. United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)
8. United Nations Mission in Ethiopia and Eritrea (UNMEE)
9. United Nations Mission in Liberia (UNMIL)
10. United Nations Operation in Côte d'Ivoire (UNOCI), formerly United Nations Mission in Côte d'Ivoire (MINUCI)
11. United Nations Stabilization Mission in Haiti (MINUSTAH)
12. United Nations Mission in the Sudan (UNMIS)
13. United Nations Integrated Mission in Timor-Leste (UNMIT)
14. United Nations Mission in the Central African Republic and Chad (MINURCAT)
15. African Union/United Nations Hybrid Operation in Darfur (UNAMID)

Special purpose accounts

1. Peacekeeping Reserve Fund
2. Support account for peacekeeping operations
3. United Nations Logistics Base (UNLB) at Brindisi, Italy
4. Peacekeeping after-service health insurance

Completed peacekeeping operations

1. United Nations Operation in Burundi (ONUB)
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET)
4. United Nations Iraq-Kuwait Observation Mission (UNIKOM)
5. United Nations Mission in Bosnia and Herzegovina (UNMIBH)

6. United Nations Mission of Observers in Tajikistan (UNMOT)
7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH), United Nations Civilian Police Mission in Haiti (MIPONUH)
8. United Nations Mission in the Central African Republic (MINURCA)
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)
10. United Nations Preventive Deployment Force (UNPREDEP)
11. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group
12. United Nations Observer Mission in Liberia (UNOMIL)
13. United Nations Peace Forces (UNPF)
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)
15. United Nations Mission in Haiti (UNMIH)
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)
17. United Nations Observer Mission in El Salvador (ONUSAL)
18. United Nations Operation in Mozambique (ONUMOZ)
19. United Nations Operation in Somalia (UNOSOM)
20. United Nations Military Liaison Team in Cambodia (UNMLT)
21. United Nations Transitional Authority in Cambodia (UNTAC)
22. United Nations Transition Assistance Group (UNTAG)
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG)
24. Special Account for the United Nations Emergency Force (UNEF) 1956
25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Annex II

Status of implementation of recommendations for the financial period ended 30 June 2007[a]

Topic		Period first reported	Implemented	Partially implemented	Not implemented	Total	Reference in the present report
1.	Strict adherence to criteria on recognition of unliquidated obligations	2004/05	para. 41 (para. 45 in 2005/06)[b]			1	
2.	Strict adherence to criteria on unliquidated obligations and improve internal control procedure	2004/05	para. 44 (para. 45 in 2005/06)[b]			1	
3.	Results-based budgeting — indicators of achievement	2003/04		para. 80 (paras. 351 and 357 in 2005/06)[b]		1	para. 79
4.	Results-based budgeting — portfolio of evidence	2003/04		para. 84 (paras. 351 and 357 in 2005/06)[b]		1	
5.	Results-based budgeting — reinforce the use of Lotus Notes to gather portfolio of evidence — UNMIK	2006/07		para. 86		1	para. 87
6.	Management of cash — cash in bank and on hand	2005/06	para. 89 (para. 65 in 2005/06)[b]			1	
7.	Management of cash, receivables — long outstanding receivables	2004/05	para. 92 (not reiterated)			1	
8.	Management of cash, receivables and payables — long outstanding receivables of Governments — MINURSO and UNOCI	2004/05		para. 96 (not reiterated in 2005/06)		1	
9.	Expendable property — stock levels	2005/06		para. 108 (para. 236 in 2005/06)[b]		1	
10.	Expendable property, physical count and inventory records	2006/07		para. 116		1	

Topic	Period first reported	Implemented	Partially implemented	Not implemented	Total	Reference in the present report
11. Non-expendable property — surplus	2006/07		para. 123		1	para. 225
12. Non-expendable property, Headquarters Property Survey Board and Local Property Survey Board pending write-offs and disposal	2005/06		para. 129 (paras. 212 and 214 in 2005/06)[b]		1	
13. Non-expendable property — classify cases for write-offs and disposal	2006/07	para. 132			1	
14. Non-expendable property — delaying write-offs and disposal	2003/04		para. 135 (para. 206 in 2005/06)[b]		1	para. 72
15. Non-expendable property — physical verification and recording	2003/04		para. 139 (para. 206 in 2005/06)[b]		1	
16. Strategic deployment stocks — trigger mechanism to indicate when strategic deployment stocks become obsolete	2006/07			para. 144	1	
17. Contingent-owned equipment — ensure the quality and standard of equipment provided by troop-contributing countries	2006/07	para. 153			1	
18. Contingent-owned equipment — inspection of contingent-owned equipment in timely manner	2006/07	para. 157			1	
19. Vehicle fleet management — CarLog system	2004/05		para. 165 (para. 184 in 2005/06)[b]		1	
20. Vehicle fleet management — fuel management	2004/05		para. 171 (not reiterated in 2005/06)[b]		1	
21. Vehicle fleet management — receipt and inspection	2006/07	para. 174			1	
22. Vehicle fleet management — issuance	2006/07		para. 178		1	

Topic	Period first reported	Implemented	Partially implemented	Not implemented	Total	Reference in the present report
23. Procurement and contract management — procurement lead time	2004/05		para. 184 (not reiterated in 2005/06)		1	para. 129
24. Procurement and contract management — delegation of authority	2006/07	para. 195			1	
25. Procurement and contract management — insurance policies filed with contracts	2006/07	para. 198			1	
26. Procurement and contract management — vendor performance and liquidated damages	2003/04		para. 203 (para. 98 in 2005/06)[b]		1	
27. Procurement and contract management — evaluation of vendor performance reports	2001/02		para. 208 (para. 89 in 2005/06)[b]		1	
28. Procurement and contract management — vendor database	2006/07			para. 214	1	
29. Procurement and contract management — compliance with the requirement relating to temporary vendors	2006/07		para. 215		1	
30. Procurement and contract management — procurement staff and filing system	2003/04		para. 218 (not reiterated in 2005/06)		1	
31. Rations management — implementation of rations management system	2004/05		para. 229 (para. 294 in 2005/06)[b]		1	
32. Rations management — recruitment of rations contract administrator	2006/04			para. 232	1	
33. Rations management — storage of rations	2006/07		para. 234		1	
34. Rations management — storage of rations at prescribed temperature	2006/07	para. 237			1	
35. Rations management — report discrepancies in the receipt of rations and improve the conditions	2006/07	para. 240			1	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
36. Rations management — stock balances	2006/07	para. 243			1	
37. Rations management — monitor the distribution of composite ration packs	2006/07		para. 246		1	
38. Air operations — aviation safety assistance visits and surveys	2006/07		para. 253		1	
39. Air operations — aviation safety standards	2006/07		para. 256		1	
40. Air operations — specialized training of aviation staff	2006/07		para. 258		1	para. 351
41. Air operations — aircraft passengers	2006/07	para. 261			1	
42. Air operations — charging passengers who are non-United Nations personnel	2006/07		para. 263		1	
43. Air operations — improving aircraft utilization	2006/07	para. 266			1	
44. Air operations — emergency response	2006/07	para. 270			1	
45. Information and communications technology — security standards and procedures	2006/07		para. 274		1	
46. Information and communications technology — business continuity plan	2006/07		para. 277		1	
47. Information and communications technology — governance structure	2006/07	para. 280			1	
48. Information and communications technology — access controls	2006/07	para. 283			1	
49. Human resources management — human resources plan	2005/06		para. 285 (paras. 303 and 311 in 2005/06)[b]		1	
50. Human resources management — vacancy rates	2005/06		para. 293 (para. 325 in 2005/06)[b]		1	para. 391
51. Human resources management — personnel records	2006/07			para. 296	1	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
52. Human resources management — gender balance	2005/06		para. 302 (para. 317 in 2005/06)[b]		1	para. 400
53. Human resources management — electronic performance appraisal system	2006/07		para. 305		1	
54. Human resources management — training	2006/07	para. 308			1	
55. Human resources management — procedure manual and handover notes	2006/07	para. 312			1	
56. Human resources management — procedure manual and handover notes	2006/07	para. 315			1	
57. Inter-agency coordination	2006/07		para. 318		1	
58. Integrated mission planning process	2006/07		para. 323		1	para. 435
59. Integrated mission planning process	2006/07		para. 325		1	
60. Quick-impact projects — completion of the guidelines	2005/06		para. 330 (para. 372 in 2005/06)[b]		1	para. 451
61. Quick-impact projects — improving monitoring of quick-impact projects — UNOMIG	2006/07	para. 332			1	
62. Quick-impact projects — project implementation	2006/07		para. 338		1	
63. Financial overview — assessed contributions receivable	2006/07		para. 35		1	para. 26
64. Financial overview — cancellation of prior period obligations	2004/05		para. 38 (para. 39 in 2005/06)[b]		1	
65. Financial overview — end-of-service liabilities	2006/07	para. 49			1	
66. Support account — creation of posts	2005/06		para. 67 (para. 285 in 2005/06)[b]		1	
67. Support account — evaluation of posts	2005/06		para. 72 (para. 290 in 2005/06)[b]		1	

Topic	*Period first reported*	*Implemented*	*Partially implemented*	*Not implemented*	*Total*	*Reference in the present report*
68. Results-based budgeting — support account budget	2006/07		para. 78		1	
69. Financial disclosure — expendable property	2006/07		para. 102		1	
70. Procurement and contract management — contracts and letters of intent	2005/06		para. 192 (para. 134 in 2005/06)[b]		1	
71. Procurement and contract management — vendor performance reports	2003/04		para. 211 (para. 86 in 2005/06)[b]		1	
72. Office of Internal Oversight Services — resident auditors audit activity	2006/07		para. 347		1	paras. 463 and 475
Breakdown:						
As presented in 2006/07 report:						
Prior years — reiterated in 2006/07		4	23	—	2	
New recommendations in 2006/07		19	21	5	45	
Total recommendations in 2006/07 report		**23**	**44**	**5**	**72**	
Percentage to total recommendations		**32**	**61**	**7**	**100**	

[a] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 5* (A/62/5 (Vol. II)), chap. II.

[b] Ibid., *Sixty-first Session, Supplement No. 5* (A/61/5 (Vol. II)), chap. II.

Chapter III

Report of the United Nations Board of Auditors (Audit opinion)

Report on the financial statements

We have audited the accompanying financial statements of the United Nations peacekeeping operations, which comprise the statement of income and expenditure and changes in reserves and fund balances for the year ended 30 June 2008 (statement I), the statement of assets, liabilities and reserves and fund balances as at 30 June 2008 (statement II), the statement of cash flows for the year then ended (statement III), the related statements (statements IV-XLVIII) and schedules, and the notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the United Nations system accounting standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material aspects, the financial position of the United Nations peacekeeping operations as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the United Nations system accounting standards.

Without qualifying our opinion referred to above, we draw attention to the following matters:

(a) An amount of $1.56 billion is shown at note 13 to the financial statements representing the original cost of non-expendable property. While improvements were noted in the physical counting procedures carried out, there were significant discrepancies at various missions when comparison was made between the results of the physical counts and the balances shown in the asset records. There was also evidence of surplus assets held at a number of missions. If these deficiencies are not addressed in a timely manner, they will continue to impact adversely on the ability of missions to effectively manage assets under their control. This matter was also raised in our previous report on peacekeeping operations (A/62/5 (Vol. II), chap. III);

(b) Paragraph 49 (iv) of the United Nations system accounting standards provides for the disclosure of inventories. Note 13 to the financial statements only disclosed strategic deployment stocks valued at $9.31 million as expendable property. However, the total value of unused expendable property at peacekeeping missions recorded in the Galileo system amounted to $436.92 million as at 30 June 2008. This was not disclosed in the notes to the financial statements and several discrepancies were observed during our physical stock counts. The Administration explained that expendable property relating to strategic deployment stocks was disclosed on an exceptional basis in order to give a full picture of strategic deployment stocks holdings. This disclosure was not extended to include all expendable property because of practical difficulties of obtaining reliable expendable property data before implementation of new systems. Further, practices vary across the United Nations system. The Board is of the view that the accurate recording and disclosure of the value of all expendable property in the financial statements would improve transparency, accountability and financial reporting. It would also improve management practice aimed at maximizing controls and minimizing risk.

The Board's detailed assessment of these two areas is reflected in chapter II of the present report.

Report on other legal and regulatory requirements

In our opinion, the transactions of the United Nations peacekeeping operations for the year ended 30 June 2008 that have come to our notice, or which we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa
(Chairman, United Nations Board of Auditors)

(*Signed*) **Liu** Jiayi
Auditor-General of the People's Republic of China
(Lead Auditor)

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France

13 February 2009

Chapter IV

Certification of the financial statements

1. The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2007 to 30 June 2008 have been prepared in accordance with financial rule 106.10.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to XLVIII, are correct.

(*Signed*) Jun **Yamazaki**
Assistant Secretary-General, Controller

26 September 2008

Chapter V

Financial statements for the 12-month period from 1 July 2007 to 30 June 2008

Statement I

Summary of United Nations peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

					Total for the period	
	Total active operations	*Peacekeeping Reserve Fund, Programme support, Logistics Base after-service health insurance*	*Total completed operations*	*All peacekeeping funds eliminations*	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*[b]
Income						
Assessed contributions	6 722 529	—	—	—	6 722 529	5 347 904
Voluntary contributions	32 607	—	—	—	32 607	28 577
Allocation from other funds	—	327 359	—	(327 058)	301	10 584
Interest income	77 442	13 142	29 359	—	119 943	106 372
Other/miscellaneous income	9 884	274	(2 225)	—	7 933	12 195
Total income	**6 842 462**	**340 775**	**27 134**	**(327 058)**	**6 883 313**	**5 505 632**
Total expenditure	**6 267 712**	**318 070**	—	**(319 961)**	**6 265 821**	**5 148 113**
Excess (shortfall) of income over expenditure	**574 750**	**22 705**	**27 134**	**(7 097)**	**617 492**	**357 519**
Non-budgeted accrued expenses for end-of-service and post-retirement liabilities[d]	(30 672)	(30 207)	947	—	(59 932)	—
Prior-period adjustments	(42)	—	(2 197)	—	(2 239)	(4 359)
Net excess (shortfall) of income over expenditure	**544 036**	**(7 502)**	**25 884**	**(7 097)**	**555 321**	**353 160**
Cancellation of prior-period obligations	113 727	8 149	6 138	—	128 014	202 278
Credits returned to Member States	(471 619)	—	(2 747)	—	(474 366)	(860 271)

Transfers to other funds	—	(7 097)	—	7 097	—	—
Other adjustments to reserves and fund balances	—	—	—	—	—	(459 893)
Reserves and fund balances beginning of period	**614 057**	**(166 727)**	**661 051**	—	**1 108 381**	**1 873 107**
Reserves and fund balances end of period	**800 201**	**(173 177)**	**690 326**	—	**1 317 350**	**1 108 381**

[a] See note 5.

[b] Restated to conform to the current presentation.

[c] Schedule 1.1.

[d] Represents net increase in accrued end-of-service and post-retirement liabilities during the current period.

The accompanying notes are an integral part of the financial statements.

Schedule 1.1

United Nations peacekeeping operations

Summary of expenditure for active peacekeeping operations for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

		Expenditure						
Mission	*Appropriation*	*Military and police personnel*	*Civilian personnel*	*Operational requirements*	*Prorated costs of UNLB and support account*	*Voluntary contributions (budgeted)*	*Total expenditure*	*Unencumbered Balance*
UNFICYP	53 965	21 483	14 647	14 102	2 260	1 504	53 996	(31)
UNDOF	41 587	20 617	8 528	13 035	1 924	—	44 104	(2 517)
UNIFIL	748 205	298 188	78 731	214 670	34 618	—	626 207	121 998
MINURSO	51 542	6 450	15 599	23 472	2 150	2 945	50 616	926
UNOMIG	36 708	4 402	18 536	9 840	1 698	—	34 476	2 232
UNMIK	230 697	73 254	123 048	24 164	10 221	—	230 687	10
MONUC	1 169 635	470 810	215 371	385 307	53 982	4 154	1 129 624	40 011
UNMEE	118 989	46 556	24 557	34 972	5 505	—	111 590	7 399
UNMIL	721 776	343 523	112 962	192 983	33 393	53	682 914	38 862
UNOCI	493 698	239 470	87 650	138 152	22 842	—	488 114	5 584
MINUSTAH	561 345	262 688	120 092	151 288	25 972	—	560 040	1 305
UNMIS	887 332	279 591	179 122	361 746	41 055	—	861 514	25 818
UNMIT	177 026	59 225	57 973	45 435	7 430	—	170 063	6 963
MINURCAT	182 444	5 451	16 010	143 723	—	—	165 184	17 260
UNAMID	1 275 654	237 867	64 373	754 239	—	—	1 056 479	219 175
AMISOM	2 355	—	2 031	73	—	—	2 104	251
Subtotal	**6 752 958**	**2 369 575**	**1 139 230**	**2 507 201**	**243 050**	**8 656**	**6 267 712**	**485 246**
UNLB-strategic deployment stock replenishment	132 401[a]	—	—	55 417	—	—	55 417	76 984
Total	**6 885 359**	**2 369 575**	**1 139 230**	**2 562 618**	**243 050**	**8 656**	**6 323 129**[b]	**562 230**

(Footnotes on following page)

(Footnotes to Schedule 1.1)

[a] Appropriations do not apply to strategic deployment stock activities. Instead funding for strategic deployment stocks is based on current period transfers to peacekeeping and political missions and to other entities and fund balances brought forward from the preceding period.

[b]

	(Thousands of United States dollars)
Total expenditure per schedule 1.1	6 323 129
Less: pro-rated costs of UNLB and support account per schedule 1.1	(243 050)
Less: strategic deployment stock replenishments recorded in peacekeeping missions and UNLB	(76 911)
Add: actual costs of support account and UNLB per schedules 21.1 and 22.1	262 652
Add: actual expenditure of Peacekeeping Reserve Fund per statement XX	1
Total expenditure as per statement I	6 265 821

Statement II

Summary of United Nations peacekeeping operations[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, Programme Support, Logistics Base ASHI*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total*	
					2008	*2007*
Assets						
Cash and term deposits	43 370	986	560	—	44 916	62 837
Cash pool[b]	1 848 178	237 580	507 046	—	2 592 804	2 169 970
Assessed contributions receivable from Member States[c]	1 005 354	13 586	557 561	—	1 576 501	1 261 182
Special accounts for unpaid assessed contributions	55 552	—	11 962	—	67 514	67 514
Voluntary contributions receivable	19 586	—	—	—	19 586	19 685
Accounts receivable from Member States	5 562	1	135 903[d]	—	141 466	140 706
Other accounts receivable	37 775	2 288	1 064	(6 182)	34 945	35 547
Inter-fund balances receivable	5 957	74 279	1 085	(81 321)	—	—
Due from other peacekeeping funds	—	14 820	37 816	(52 636)	—	—
Deferred charges	3 156	1 677	—	—	4 833	5 683
Inter-office transactions pending processing	436	—	30	—	466	377
Other assets	—	—	2 849	—	2 849	2 849
Total assets	**3 024 926**	**345 217**	**1 255 876**	**(140 139)**	**4 485 880**	**3 766 350**
Liabilities						
Contributions or payments received in advance	11 368	—	11 290	—	22 658	30 249
Unliquidated obligations	1 341 332	46 553	1 356	—	1 389 241	973 503
Accounts payable to Member States	396 505	8	338 660	—	735 173	876 842

	Total active operations	*Peacekeeping Reserve Fund, Programme Support, Logistics Base ASHI*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total*	
					2008	*2007*
Other accounts payable	242 516	22 923	909	(6 182)	260 166	79 369
Inter-fund balances payable	107 846	11 797	952	(81 321)	39 274	36 098
Due to other peacekeeping funds	29 000	—	23 636	(52 636)	—	—
Voluntary contributions held in suspense	11 985	—	—	—	11 985	11 985
Deferred credits	1 324	—	127 391[d]	—	128 715	128 535
Inter-office transactions pending processing	196	—	11	—	207	209
Due to United Nations Special Account	—	—	3 329	—	3 329	3 329
Due to United Nations Bond Account	—	—	44 048	—	44 048	44 048
Other liabilities	—	—	13 909	—	13 909	13 909
End-of-service and post-retirement liabilities[e]	82 653	437 113	59	—	519 825	459 893
Total liabilities	**2 224 725**	**518 394**	**565 550**	**(140 139)**	**3 168 530**	**2 657 969**
Reserves and fund balances						
Working capital funds	—	150 000	—	—	150 000	150 000
Authorized retained surplus	55 552	—	80 211	—	135 763	135 763
Surplus to be transferred[f]	—	—	43 750	—	43 750	43 750
Cumulative surplus-strategic deployment stock activities	—	81 197	—	—	81 197	55 189
Cumulative surplus	827 302	32 739	566 424	—	1 426 465	1 183 572
Deficit-end-of-service and post-retirement liabilities	(82 653)	(437 113)	(59)	—	(519 825)	(459 893)
Total reserves and fund balances	**800 201**	**(173 177)**	**690 326**	—	**1 317 350**	**1 108 381**
Total liabilities and reserves and fund balances	**3 024 926**	**345 217**	**1 255 876**	**(140 139)**	**4 485 880**	**3 766 350**

(Footnotes on following page)

(Footnotes to Statement II)

[a] See note 5.

[b] See note 2 (l) (ii).

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] In accordance with General Assembly resolution 51/12 A of 4 November 1996 includes expenditures totalling $127,379,954 which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803).The equivalent amount is also included in deferred credits. See statement XXXVI.

[e] Represents accrued liabilities for unused vacation days of $57,553,286 for repatriation benefits of $52,380,793 and for after-service health insurance of $409,892,000. See note 14.

[f] Under the terms of General Assembly resolution 56/292 of 27 June 2002 an amount of $43,750,015 shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. See statements XXXVI and XXXVIII.

The accompanying notes are an integral part of the financial statements.

Statement III

Summary of United Nations peacekeeping operations[a]

Statement of cash flows for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007 to 30 June 2008	*1 July 2006 to 30 June 2007*[b]
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (Statement I)	555 321	353 160
(Increase) decrease in assessed contributions receivable	(315 319)	9 730
(Increase) decrease in voluntary contributions receivable	99	(13 706)
(Increase) decrease in accounts receivable from Member States	(760)	(1 421)
(Increase) decrease in other accounts receivable	602	(3 885)
(Increase) decrease in deferred charges	850	1 778
(Increase) decrease in Inter-office transactions pending processing-assets	(89)	234
Increase (decrease) in contributions or payments received in advance	(7 591)	23 799
Increase (decrease) in unliquidated obligations	415 738	(80 648)
Increase (decrease) in accounts payable to Member States	(141 669)	416 680
Increase (decrease) in other accounts payable	180 797	(8 598)
Increase (decrease) in inter-fund balances payable	3 176	1 372
Increase (decrease) in deferred credits	180	268
Increase (decrease) in Inter-office transactions pending processing-liabilities	(2)	75
Increase (decrease) in end-of-service and post-retirement liabilities	59 932	459 893
Less: Interest income	(119 943)	(106 372)
Net cash flows from operating activities	**631 322**	**1 052 359**
Cash flows from investing activities		
(Increase) decrease in cash pool	(422 834)	(11 924)

	Period	
	1 July 2007 to 30 June 2008	*1 July 2006 to 30 June 2007*[b]
Plus: Interest income	119 943	106 372
Net cash flows from investing activities	**(302 891)**	**94 448**
Cash flows from financing activities		
Cancellation of prior-period obligations	128 014	202 278
Credits to Member States	474 366-	(860 271)
Other adjustments to reserves and fund balances	—	(459 893)
Net cash flows from financing activities	**(346 352)**	**(1 117 886)**
Net increase (decrease) in cash and term deposits	(17 921)	28 921
Cash and term deposits beginning of period	62 837	33 916
Cash and term deposits end of period	**44 916**	**62 837**

[a] See note 5.

[b] Restated to conform to the current presentation.

The accompanying notes are an integral part of the financial statements.

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	31 059	25 355
Voluntary contributions[c]	25 456	22 890
Interest income	363	286
Other/miscellaneous income	588	266
Total income	**57 466**	**48 797**
Total expenditure (schedule 4.1)	**53 996**	**50 760**
Excess (shortfall) of income over expenditure	**3 470**	**(1 963)**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(405)	—
Net excess (shortfall) of income over expenditure	**3 065**	**(1 963)**
Cancellation of prior-period obligations	357	659
Credits returned to Member States[e]	(1 213)	(2 149)
Other adjustments to reserves and fund balances	—	(1 828)
Reserves and fund balances, beginning of period	16 959	22 240
Reserves and fund balances, end of period[f]	**19 168**	**16 959**

Statement IV (concluded)

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	1 661	1 465
Cash pool[g]	1 073	5 565
Assessed contributions receivable from Member States[h]	19 117	13 234
Voluntary contributions receivable from Member States[h]	19 586	19 685
Accounts receivable from Member States	55	205
Other accounts receivable	87	147
Deferred charges	225	130
Inter-office transactions pending processing	—	11
Total assets	**41 804**	**40 442**
Liabilities		
Unliquidated obligations-current period	4 113	5 141
Unliquidated obligations-prior periods	683	687
Accounts payable to Member States	15 063	14 978
Other accounts payable	535	215
Inter-fund balances payable	8	633
Deferred credits	1	1
End-of-service liabilities[i]	2 233	1 828
Total liabilities	**22 636**	**23 483**
Reserves and fund balances		
Cumulative surplus	21 401	18 787
Deficit-end-of-service liabilities	(2 233)	(1 828)
Total reserves and fund balances	**19 168**	**16 959**
Total liabilities and reserves and fund balances	**41 804**	**40 442**

(Footnotes on following page)

(Footnotes to Statement IV)

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Includes voluntary contributions in cash of $17,451,399 from Cyprus and $6,500,000 from Greece, for which budgetary provisions were made. In addition, voluntary contributions in kind was received from Cyprus of $1,504,325; for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 62/255 of 20 June 2008, the total credits returned to Member States were $1,212,700 for the period ended 30 June 2007. Of the total, $841,518 were returned to Member States in respect of their assessments, and amounts of $403,829 and $167,353 were returned to Cyprus and Greece, respectively, with regards to their voluntary contributions in cash.

[f] Under the terms of General Assembly resolution 47/236 of 14 September 1993 and as reconfirmed in General Assembly resolution 61/233 B of 29 June 2007, obligations recorded for the period from 27 March 1964 to 15 June 1993 in the UNFCIYP accounts are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 15 June 1993, the cumulative obligations to be financed from such voluntary contributions as at 30 June 2008 totalled $243,701,489. The change from the comparable figure as at 30 June 2007 of $215,779,389 is due to exchange rate movements. See note 6.

[g] Represents a share of the cash pool and comprises cash and term deposits of $298,397, long-term investments of $768,759 (market value $762,669) and accrued interest receivable of $5,837.

[h] Represents voluntary contributions receivable in cash in respect of the period ended 30 June 2008 of $9,944,466 and $3,382,221 from Cyprus and Greece, respectively; and voluntary contributions receivable in respect of the period prior to 15 June 1993 of $2,707,500 and DKK 16,930,100 (equivalent to $3,571,751) from Austria and Denmark, respectively.

[i] Represents accrued end-of-service liabilities for unused vacation days of $1,433,949 and for repatriation benefits of $799,308. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 4.1

United Nations Peacekeeping Force in Cyprus

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	22 530	(1 046)	21 484	20 455	1 028	21 483	1
Civilian personnel	13 414	1 233	14 647	14 605	42	14 647	—
Operational requirements	14 290	(187)	14 103	11 059	3 043	14 102	1
Subtotal	**50 234**	—	**50 234**	**46 119**	**4 113**	**50 232**	**2**
Prorated costs							
United Nations Logistics Base	316	—	316	316	—	316	—
Support account for peacekeeping operations	1 944	—	1 944	1 944	—	1 944	—
Subtotal	**2 260**	—	**2 260**	**2 260**	—	**2 260**	—
Voluntary contributions in kind (budgeted)	1 471	—	1 471	1 504	—	1 504	(33)
Total	**53 965**	—	**53 965**	**49 883**	**4 113**	**53 996**	**(31)**

Statement V

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	41 587	41 588
Interest income	1 112	1 260
Other/miscellaneous income	345	345
Total income	**43 044**	**43 193**
Total expenditure (schedule 5.1)	**44 104**	**41 271**
Excess (shortfall) of income over expenditure	**(1 060)**	**1 922**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(417)	—
Prior-period adjustments	—	(1)
Net excess (shortfall) of income over expenditure	**(1 477)**	**1 921**
Cancellation of prior-period obligations	620	808
Credits returned to Member States[d]	(2 729)	(5 600)
Other adjustments to reserves and fund balances	—	(1 236)
Reserves and fund balances, beginning of period	58 038	62 145
Reserves and fund balances, end of period	**54 452**	**58 038**

Statement V (concluded)

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits[e]	546	643
Cash pool[f]	16 044	25 767
Assessed contributions receivable from Member States[b]	13 238	10 991
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[g]	35 987	35 987
Accounts receivable from Member States	233	214
Other accounts receivable	390	324
Deferred charges	132	141
Inter-office transactions pending processing	—	1
Total assets	**66 570**	**74 068**
Liabilities		
Contributions or payments received in advance	38	15
Unliquidated obligations-current period	2 650	5 237
Unliquidated obligations-prior periods	812	3 386
Accounts payable to Member States	5 070	4 970
Other accounts payable	683	709
Inter-fund balances payable	1 212	477
End-of-service liabilities[h]	1 653	1 236
Total liabilities	**12 118**	**16 030**
Reserves and fund balances		
Authorized retained surplus[i]	35 987	35 987
Cumulative surplus	20 118	23 287
Deficit-end-of-service liabilities	(1 653)	(1 236)
Total reserves and fund balances	**54 452**	**58 038**
Total liabilities and reserves and fund balances	**66 570**	**74 068**

(Footnotes on following page)

(Footnotes to Statement V)

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/264 of 20 June 2008 the total assessment on Member States was reduced by $2,728,700 comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Includes $122,898 equivalent of non-convertible Syrian pounds.

[f] Represents share of the cash pool and comprises cash and term deposits of $4,461,812, long-term investments of $11,494,933 (market value $11,403,866) and accrued interest receivable of $87,273.

[g] See note 4 (b).

[h] Represents accrued liabilities for unused vacation days of $729,832 and for repatriation benefits of $922,792. See note 14.

[i] See note 6.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

United Nations Disengagement Observer Force

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation[a]			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	19 699	—	19 699	20 273	344	20 617	(918)
Civilian personnel	8 727	—	8 727	8 484	44	8 528	199
Operational requirements	11 237	—	11 237	10 773	2 262	13 035	(1 798)
Subtotal	**39 663**	**—**	**39 663**	**39 530**	**2 650**	**42 180**	**(2 517)**
Prorated costs							
United Nations Logistics Base	269	—	269	269	—	269	—
Support account for peacekeeping operations	1 655	—	1 655	1 655	—	1 655	—
Subtotal	**1 924**	**—**	**1 924**	**1 924**	**—**	**1 924**	**—**
Total	**41 587**	**—**	**41 587**	**41 454**	**2 650**	**44 104**	**(2 517)**

[a] The Advisory Committee on Administrative and Budgetary Questions was advised in July 2007 of unforeseen expenditures in excess of the appropriations mainly attributable to the increase in the cost of fuel. In February 2008 an update was provided estimating that total unforeseen expenditures in excess of the appropriations would be $2,576,900. The Advisory Committee was informed that the overexpenditures would be reported in the 2007/08 budget performance report at which time an additional appropriation would be requested.

Statement VI

United Nations Interim Force in Lebanon (UNIFIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	748 205	500 669
Interest income	17 211	5 286
Other/miscellaneous income	1 044	308
Total income	**766 460**	**506 263**
Total expenditure (schedule 6.1)	**626 207**	**499 788**
Excess (shortfall) of income over expenditure	**140 253**	**6 475**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(4 621)	—
Prior-period adjustments	(2)	(151)
Net excess (shortfall) of income over expenditure	**135 630**	**6 324**
Cancellation of prior-period obligations	14 040	1 930
Credits returned to Member States[d]	(8 253)	(18 027)
Other adjustments to reserves and fund balances	—	(5 761)
Reserves and fund balances, beginning of period	87 946	103 480
Reserves and fund balances, end of period	**229 363**	**87 946**

Statement VI (concluded)

United Nations Interim Force in Lebanon (UNIFIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	3 605	1 876
Cash pool[e]	337 150	188 036
Assessed contributions receivable from Member States[b]	136 995	145 922
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[f]	19 565	19 565
Accounts receivable from Member States	3 551	2 493
Other accounts receivable	864	898
Deferred charges	359	326
Inter-office transactions pending processing	8	33
Total assets	**502 097**	**359 149**
Liabilities		
Contributions or payments received in advance	42	396
Unliquidated obligations-current period	147 117	205 858
Unliquidated obligations-prior periods	31 340	949
Accounts payable to Member States	54 788	22 268
Other accounts payable	8 415	7 826
Inter-fund balances payable	8 597	16 130
Voluntary contributions held in suspense[g]	11 985	11 985
Deferred credits	68	30
End-of-service liabilities[h]	10 382	5 761
Total liabilities	**272 734**	**271 203**
Reserves and fund balances		
Authorized retained surplus[i]	19 565	19 565
Cumulative surplus	220 180	74 142
Deficit-end-of-service liabilities	(10 382)	(5 761)
Total reserves and fund balances	**229 363**	**87 946**
Total liabilities and reserves and fund balances	**502 097**	**359 149**

(Footnotes on following page)

(Footnotes to Statement VI)

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/265 of 20 June 2008 the total assessment on Member States was reduced by $8,252,700 comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $93,760,828 long-term investments of $241,555,293 (market value $239,641,603) and accrued interest receivable of $1,833,956.

[f] See note 4 (c).

[g] Received from Cyprus, Kuwait, Luxembourg, Oman, Seychelles and Switzerland.

[h] Represents accrued end-of-service liabilities for unused vacation days of $5,245,384 and for repatriation benefits of $5,136,673. See note 14.

[i] See note 8.

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

United Nations Interim Force in Lebanon

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	375 536	(6 135)	369 401	265 679	32 509	298 188	71 213
Civilian personnel	109 420	(1 650)	107 770	78 010	721	78 731	29 039
Operational requirements	228 631	7 785	236 416	100 783	113 887	214 670	21 746
Subtotal	**713 587**	**—**	**713 587**	**444 472**	**147 117**	**591 589**	**121 998**
Prorated costs							
United Nations Logistics Base	4 845	—	4 845	4 845	—	4 845	—
Support account for peacekeeping operations	29 773	—	29 773	29 773	—	29 773	—
Subtotal	**34 618**	**—**	**34 618**	**34 618**	**—**	**34 618**	**—**
Total [a]	**748 205**	**—**	**748 205**	**479 090**	**147 117**	**626 207**	**121 998**

[a] In addition, voluntary contributions in kind of $909,200 were received from Qatar representing the donation of its contingent camp, for which no budgetary provision had been made.

Statement VII

United Nations Mission for the Referendum in Western Sahara (MINURSO)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	48 226	44 460
Voluntary contributions[c]	2 945	2 776
Interest income	237	277
Other/miscellaneous income	198	230
Total income	**51 606**	**47 743**
Total expenditure (schedule 7.1)	**50 616**	**46 318**
Excess (shortfall) of income over expenditure	**990**	**1 425**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(417)	—
Prior-period adjustments	(1)	(1)
Net excess (shortfall) of income over expenditure	**572**	**1 424**
Cancellation of prior-period obligations	735	1 480
Credits returned to Member States[e]	(2 904)	(4 466)
Other adjustments to reserves and fund balances	—	(1 447)
Reserves and fund balances, beginning of period	27 832	30 841
Reserves and fund balances, end of period	**26 235**	**27 832**

Statement VII (concluded)

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	825	486
Cash pool[f]	627	1 314
Assessed contributions receivable from Member States[b]	48 508	43 882
Accounts receivable from Member States	301	662
Other accounts receivable	163	222
Deferred charges	4	5
Inter-office transactions pending processing	—	2
Total assets	**50 428**	**46 573**
Liabilities		
Contributions or payments received in advance	60	3
Unliquidated obligations-current period	3 307	5 361
Unliquidated obligations-prior periods	534	484
Accounts payable to Member States	2 063	2 304
Other accounts payable	1 792	2 129
Inter-fund balances payable	543	1 474
Due to United Nations Peace Forces	14 000	5 500
Deferred credits	30	37
Inter-office transactions pending processing	—	2
End-of-service liabilities[g]	1 864	1 447
Total liabilities	**24 193**	**18 741**
Reserves and fund balances		
Cumulative surplus	28 099	29 279
Deficit-end-of-service liabilities	(1 864)	(1 447)
Total reserves and fund balances	**26 235**	**27 832**
Total liabilities and reserves and fund balances	**50 428**	**46 573**

(Footnotes on following page)

(Footnotes to Statement VII)

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind from Morocco, Algeria and the Frente Polisario amounting to $2,406,057, $323,112 and $216,000 respectively, for which budgetary provisions have been made for meals, transportation and other miscellaneous services.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 62/268 of 20 June 2008, the total assessment on Member States was reduced by $2,903,700, comprising unencumbered balance and other income for the period ended 30 June 2007.

[f] Represents share of the cash pool and comprises cash and term deposits of $174,360, long-term investments of $449,202 (market value $445,643) and accrued interest receivable of $3,410.

[g] Represents accrued liabilities for unused vacation days of $659,112 and for repatriation benefits of $1,205,060. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

United Nations Mission for the Referendum in Western Sahara

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	6 556	32	6 588	6 021	429	6 450	138
Civilian personnel	15 113	720	15 833	15 523	76	15 599	234
Operational requirements	24 407	(752)	23 655	20 670	2 802	23 472	183
Subtotal	**46 076**	—	**46 076**	**42 214**	**3 307**	**45 521**	**555**
Prorated costs							
United Nations Logistics Base	301	—	301	301	—	301	—
Support account for peacekeeping operations	1 849	—	1 849	1 849	—	1 849	—
Subtotal	**2 150**	—	**2 150**	**2 150**	—	**2 150**	—
Voluntary contributions in kind (budgeted)	3 316	—	3 316	2 945	—	2 945	371
Total	**51 542**	—	**51 542**	**47 309**	**3 307**	**50 616**	**926**

Statement VIII

United Nations Observer Mission in Georgia (UNOMIG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	36 708	34 827
Interest income	251	243
Other/miscellaneous income	501	148
Total income	**37 460**	**35 218**
Total expenditure (schedule 8.1)	**34 476**	**33 747**
Excess (shortfall) of income over expenditure	**2 984**	**1 471**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(350)	—
Net excess (shortfall) of income over expenditure	2 634	1 471
Cancellation of prior-period obligations	577	435
Credits returned to Member States[d]	(1 907)	(4 787)
Other adjustments to reserves and fund balances	—	(980)
Reserves and fund balances, beginning of period	6 744	10 605
Reserves and fund balances, end of period	**8 048**	**6 744**

Statement VIII (concluded)

United Nations Observer Mission in Georgia (UNOMIG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	490	217
Cash pool[e]	1 568	7 355
Assessed contributions receivable from Member States[b]	10 335	6 761
Accounts receivable from Member States	6	3
Other accounts receivable	145	140
Deferred charges	47	83
Inter-office transactions pending processing	9	3
Total assets	**12 600**	**14 562**
Liabilities		
Contributions or payments received in advance	59	14
Unliquidated obligations-current period	1 810	2 567
Unliquidated obligations-prior periods	8	77
Accounts payable to Member States	814	2 916
Other accounts payable	478	627
Inter-fund balances payable	48	637
Deferred Credits	5	—
End-of-service liabilities[f]	1 330	980
Total liabilities	**4 552**	**7 818**
Reserves and fund balances		
Cumulative surplus	9 378	7 724
Deficit-end-of-service liabilities	(1 330)	(980)
Total reserves and fund balances	**8 048**	**6 744**
Total liabilities and reserves and fund balances	**12 600**	**14 562**

---

[a] See notes 2 and 3.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/260 of 20 June 2008, the total assessment on Member States was reduced by $1,906,700, comprising unencumbered balance and other income in respect of the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $436,197, long-term investments of $1,123,770 (market value $1,114,868) and accrued interest receivable of $8,532.

[f] Represents accrued liabilities for unused vacation days of $679,643 and for repatriation benefits of $650,962. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1

United Nations Observer Mission in Georgia

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	4 776	(87)	4 689	4 302	99	4 402	287
Civilian personnel	20 102	58	20 160	18 406	130	18 536	1 624
Operational requirements	10 132	29	10 161	8 259	1 581	9 840	321
Subtotal	**35 010**	—	**35 010**	**30 967**	**1 810**	**32 778**	**2 232**
Prorated costs							
United Nations Logistics Base	237	—	237	237	—	237	—
Support account for peacekeeping operations	1 461	—	1 461	1 461	—	1 461	—
Subtotal	**1 698**	—	**1 698**	**1 698**	—	**1 698**	—
Total	**36 708**	—	**36 708**	**32 665**	**1 810**	**34 476**	**2 232**

Statement IX

United Nations Interim Administration Mission in Kosovo (UNMIK)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	230 697	227 400
Interest income	1 572	1 301
Other/miscellaneous income	1 578	2 015
Total income	**233 847**	**230 716**
Total expenditure (schedule 9.1)	**230 687**	**219 627**
Excess (shortfall) of income over expenditure	**3 160**	**11 089**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(1 782)	—
Prior-period adjustments	—	(3)
Net excess (shortfall) of income over expenditure	**1 378**	**11 086**
Cancellation of prior-period obligations	2 253	2 383
Credits returned to Member States[d]	(13 465)	(12 621)
Other adjustments to reserves and fund balances	—	(10 382)
Reserves and fund balances, beginning of period	6 665	16 199
Reserves and fund balances, end of period	**(3 169)**	**6 665**

Statement IX (concluded)

United Nations Interim Administration Mission in Kosovo (UNMIK)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	800	71
Cash pool[c]	3 515	30 055
Assessed contributions receivable from Member States[b]	45 982	42 195
Accounts receivable from Member States	24	19
Other accounts receivable	1 217	1 103
Deferred charges	36	105
Inter-office transactions pending processing	49	8
Total assets	**51 623**	**73 556**
Liabilities		
Contributions or payments received in advance	1 076	5 741
Unliquidated obligations-current period	3 106	6 599
Unliquidated obligations-prior periods	497	1 399
Accounts payable to Member States	15 193	35 850
Other accounts payable	5 815	4 093
Inter-fund balances payable	3 932	2 814
Due to United Nations Peace Forces	13 000	—
Deferred credits	9	13
End-of-service liabilities[f]	12 164	10 382
Total liabilities	**54 792**	**66 891**
Reserves and fund balances		
Cumulative surplus	8 995	17 047
Deficit-end-of-service liabilities	12 164-	10 382-
Total reserves and fund balances	**(3 169)**	**6 665**
Total liabilities, reserves and fund balances	**51 623**	**73 556**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/262 of 20 June 2008, the total assessment on Member States was reduced by $13,465,200, comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $977,379, long-term investments of $2,518,015 (market value $2,498,066) and accrued interest receivable of $19,117.

[f] Represents accrued end-of-service liabilities for unused vacation days of $7,779,604 and for repatriation benefits of $4,384,467. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

United Nations Interim Administration Mission in Kosovo

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	74 975	(1 717)	73 258	72 079	1 175	73 254	4
Civilian personnel	117 676	5 377	123 053	123 000	48	123 048	5
Operational requirements	27 825	(3 660)	24 165	22 281	1 883	24 164	1
Subtotal	**220 476**	**—**	**220 476**	**217 360**	**3 106**	**220 466**	**10**
Prorated costs							
United Nations Logistics Base	1 430	—	1 430	1 430	—	1 430	—
Support account for peacekeeping operations	8 791	—	8 791	8 791	—	8 791	—
Subtotal	**10 221**	**—**	**10 221**	**10 221**	**—**	**10 221**	**—**
Total	**230 697**	**—**	**230 697**	**227 581**	**3 106**	**230 687**	**10**

Statement X

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	1 166 721	1 138 533
Voluntary contributions[c]	4 153	2 858
Interest income	8 752	11 759
Other/miscellaneous income	1 181	2 196
Total income	**1 180 807**	**1 155 346**
Total expenditure (schedule 10.1)	**1 129 624**	**1 135 261**
Excess (shortfall) of income over expenditure	**51 183**	**20 085**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(3 480)	—
Prior-period adjustments	(4)	(1)
Net excess (shortfall) of income over expenditure	**47 699**	**20 084**
Cancellation of prior-period obligations	18 795	41 509
Credits returned to Member States[e]	(61 577)	(137 023)
Other adjustments to reserves and fund balances	—	(8 456)
Reserves and fund balances, beginning of period	53 304	137 190
Reserves and fund balances, end of period	**58 221**	**53 304**

Statement X (concluded)

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	8 600	12 951
Cash pool[f]	148 569	111 451
Assessed contributions receivable from Member States[b]	137 772	170 267
Accounts receivable from Member States	115	55
Other accounts receivable	6 072	7 808
Deferred charges	395	520
Inter-office transactions pending processing	218	146
Total assets	**301 741**	**303 198**
Liabilities		
Contributions or payments received in advance	6 584	13
Unliquidated obligations-current period	134 498	136 324
Unliquidated obligations-prior period	18 374	19 246
Accounts payable to Member States	47 706	67 895
Other accounts payable	20 710	10 334
Inter-fund balances payable	3 370	7 248
Deferred credits	277	281
Inter-office transactions pending processing	65	97
End-of-service liabilities[g]	11 936	8 456
Total liabilities	**243 520**	**249 894**
Reserves and fund balances		
Cumulative surplus	70 157	61 760
Deficit-end-of-service liabilities	(11 936)	(8 456)
Total reserves and fund balances	**58.221**	**53 304**
Total liabilities and reserves and fund balances	**301 741**	**303 198**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind received from Fondation Hirondelle for the operation of Radio Okapi, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 62/256 of 20 June 2008, the total assessment on Member States was reduced by $61,577,300, comprising unencumbered balance and other income in respect of the period ended 30 June 2007.

[f] Represents share of the cash pool and comprises cash and term deposits of $41,316,722, long-term investments of $106,443,949 (market value $105,600,661) and accrued interest receivable of $808,152.

[g] Represents accrued liabilities for unused vacation days of $4,989,888 and for repatriation benefits of $6,946,244. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 10.1

United Nations Organization Mission in the Democratic Republic of the Congo

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	476 660	1 936	478 596	434 523	36 287	470 810	7 786
Civilian personnel	205 838	17 272	223 110	208 411	6 960	215 371	7 739
Operational requirements	430 241	(19 208)	411 033	294 056	91 251	385 307	25 726
Subtotal	**1 112 739**	—	**1 112 739**	**936 990**	**134 498**	**1 071 488**	**41 251**
Prorated costs							
United Nations Logistics Base	7 555	—	7 555	7 555	—	7 555	—
Support account for peacekeeping operations	46 427	—	46 427	46 427	—	46 427	—
Subtotal	**53 982**	—	**53 982**	**53 982**	—	**53 982**	—
Voluntary contributions in kind (budgeted)	2 914	—	2 914	4 154	—	4 154	(1 240)
Total	**1 169 635**	—	**1 169 635**	**995 126**	**134 498**	**1 129 624**	**40 011**

Statement XI

United Nations Mission in Ethiopia and Eritrea (UNMEE)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	118 989	144 944
Interest income	1 891	2 466
Other/miscellaneous income	356	296
Total income	**121 236**	**147 706**
Total expenditure (schedule 11.1)	**111 590**	**134 175**
Excess (shortfall) of income over expenditure	**9 646**	**13 531**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(35)	—
Prior-period adjustments	—	(7)
Net excess (shortfall) of income over expenditure	**9 611**	**13 524**
Cancellation of prior-period obligations	7 965	4 492
Credits returned to Member States[d]	(18 012)	(35 857)
Other adjustments to reserves and fund balances	—	(2 074)
Reserves and fund balances, beginning of period	15 940	35 855
Reserves and fund balances, end of period	**15 504**	**15 940**

Statement XI (concluded)

United Nations Mission in Ethiopia and Eritrea (UNMEE)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits[e]	498	757
Cash pool[f]	26 564	58 513
Assessed contributions receivable from Member States[b]	17 326	8 449
Accounts receivable from Member States	602	916
Other accounts receivable	993	6 302
Deferred charges	108	135
Inter-office transactions pending processing	49	16
Total assets	**46 140**	**75 088**
Liabilities		
Contributions or payments received in advance	169	9
Unliquidated obligations-current period	7 095	23 225
Unliquidated obligations-prior period	342	1 136
Accounts payable to Member States	12 854	29 424
Other accounts payable	4 127	1 044
Inter-fund balances payable	3 218	1 535
Deferred credits	698	644
Interoffice transactions pending processing	24	57
End-of-service liabilities[g]	2 109	2 074
Total liabilities	**30 636**	**59 148**
Reserves and fund balances		
Cumulative surplus	17 613	18 014
Deficit-end-of-service liabilities	(2 109)	(2 074)
Total reserves and fund balances	**15 504**	**15 940**
Total liabilities and reserves and fund balances	**46 140**	**75 088**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/259 of 20 June 2008, the total assessment to Member States was reduced by $18,012,400, comprising the unencumbered balance and other income in respect of the financial period ended 30 June 2007.

[e] Includes non-convertible Eritrean nakfas equivalent to $40,294 and non-convertible Ethiopian birrs equivalent to $37,808.

[f] Represents share of the cash pool and comprises cash and term deposits of $7,387,410, long-term investments of $19,032,127 (market value $18,881,348) and accrued interest receivable of $144,497.

[g] Represents accrued liabilities for unused vacation days of $952,904 and for repatriation benefits of $1,156,320. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 11.1

United Nations Mission in Ethiopia and Eritrea

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	45 457	3 105	48 562	43 689	2 867	46 556	2 006
Civilian personnel	24 530	526	25 056	24 396	161	24 557	499
Operational requirements	43 497	(3 631)	39 866	30 905	4 067	34 972	4 894
Subtotal	**113 484**	—	**113 484**	**98 990**	**7 095**	**106 085**	**7 399**
Prorated costs							
United Nations Logistics Base	770	—	770	770	—	770	—
Support account for peacekeeping operations	4 735	—	4 735	4 735	—	4 735	—
Subtotal	**5 505**	—	**5 505**	**5 505**	—	**5 505**	—
Total	**118 989**	—	**118 989**	**104 495**	**7 095**	**111 590**	**7 399**

Statement XII

United Nations Mission in Liberia (UNMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	721 723	745 572
Voluntary contributions[c]	53	53
Interest income	8 719	8 901
Other/miscellaneous income	1 685	4 053
Total income	**732 180**	**758 579**
Total expenditure (schedule 12.1)	**682 914**	**707 204**
Excess (shortfall) of income over expenditure	**49 266**	**51 375**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(2 329)	—
Prior-period adjustments	(28)	(8)
Net excess (shortfall) of income over expenditure	**46 909**	**51 367**
Cancellation of prior-period obligations	4 920	33 151
Credits returned to Member States[e]	(84 509)	(63 137)
Other adjustments to reserves and fund balances	—	(4 821)
Reserves and fund balances, beginning of period	79 697	63 137
Reserves and fund balances, end of period	**47 017**	**79 697**

Statement XII (concluded)

United Nations Mission in Liberia (UNMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	4 124	3 496
Cash pool[f]	157 478	164 451
Assessed contributions receivable from Member States[b]	28 034	63 483
Other accounts receivable	3 892	2 946
Inter-fund balances receivable	5 749	—
Deferred charges	473	394
Inter-office transactions pending processing	1	3
Total assets	**199 751**	**234 773**
Liabilities		
Contributions or payments received in advance	471	7 881
Unliquidated obligations-current period	65 029	72 371
Unliquidated obligations-prior period	4 746	4 303
Accounts payable to Member States	59 663	56 024
Other accounts payable	15 535	6 217
Inter-fund balances payable	—	3 426
Deferred credits	74	33
Inter-office transactions pending processing	66	—
End-of-service liabilities[g]	7 150	4 821
Total liabilities	**152 734**	**155 076**
Reserves and fund balances		
Cumulative surplus	54 167	84 518
Deficit-end-of-service liabilities	(7 150)	(4 821)
Total reserves and fund balances	**47 017**	**79 697**
Total liabilities and reserves and fund balances	**199 751**	**234 773**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contribution in kind from Germany for premises, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 62/263 of 20 June 2008, the total assessment to Member States was reduced by $84,508,500, comprising unencumbered balance and other income for the period ended 30 June 2007.

[f] Represents share of the cash pool and comprises cash and term deposits of $43,794,536, long-term investments of $112,827,523 (market value $111,933,662) and accrued interest receivable of $856,618.

[g] Represents accrued liabilities for unused vacation days of $3,635,219 and for repatriation benefits of $3,514,485. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 12.1

United Nations Mission in Liberia

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	357 843	(2 572)	355 271	319 420	24 103	343 523	11 748
Civilian personnel	117 090	1 349	118 439	110 683	2 279	112 962	5 477
Operational requirements	213 397	1 223	214 620	154 336	38 647	192 983	21 637
Subtotal	**688 330**	—	**688 330**	**584 439**	**65 029**	**649 468**	**38 862**
Prorated costs							
United Nations Logistics Base	4 673	—	4 673	4 673	—	4 673	—
Support account for peacekeeping operations	28 720	—	28 720	28 720	—	28 720	—
Subtotal	**33 393**	—	**33 393**	**33 393**	—	**33 393**	—
Voluntary contributions in kind (budgeted)	53	—	53	53	—	53	—
Total	**721 776**	—	**721 776**	**617 885**	**65 029**	**682 914**	**38 862**

Statement XIII

United Nations Operation in Côte d'Ivoire (UNOCI)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	493 699	491 081
Interest income	6 217	6 516
Other/miscellaneous income	666	665
Total income	**500 582**	**498 262**
Total expenditure (schedule 13.1)	**488 114**	**468 955**
Excess (shortfall) of income over expenditure	**12 468**	**29 307**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(2 256)	—
Prior-period adjustments	(3)	—
Net excess (shortfall) of income over expenditure	**10 209**	
Cancellation of prior-period obligations	7 036	9 384
Credits returned to Member States[d]	(38 686)	(52 377)
Other adjustments to reserves and fund balances	—	(3 915)
Reserves and fund balances, beginning of period	34 776	52 377
Reserves and fund balances, end of period	**13 335**	**34 776**

Statement XIII (concluded)

United Nations Operation in Côte d'Ivoire (UNOCI)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	736	2 720
Cash pool[e]	68 975	132 449
Assessed contributions receivable from Member States[b]	41 056	24 894
Accounts receivable from Member States	181	183
Other accounts receivable	3 240	2 326
Deferred charges	475	741
Inter-office transactions pending processing	6	11
Total assets	**114 669**	**163 324**
Liabilities		
Contributions or payments received in advance	56	4 201
Unliquidated obligations-current period	54 361	58 580
Unliquidated obligations-prior periods	23	910
Accounts payable to Member States	27 590	53 955
Other accounts payable	5 959	4 426
Inter-fund balances payable	7 117	2 515
Deferred credits	50	44
Interoffice transactions pending processing	7	2
End-of-service liabilities[f]	6 171	3 915
Total liabilities	**101 334**	**128 548**
Reserves and fund balances		
Cumulative surplus	19 506	38 691
Deficit-end-of-service liabilities	(6 171)	(3 915)
Total reserves and fund balances	**13 335**	**34 776**
Total liabilities and reserves and fund balances	**114 669**	**163 324**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/254 of 20 June 2008, the total assessment on Member States was reduced by $38,685,500, comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $19,181,917, long-term investments of $49,418,223 (market value $49,026,713) and accrued interest receivable of $375,197.

[f] Represents accrued liabilities for unused vacation days of $3,201,297 and for repatriation benefits of $2,969,306. See note 14.

Schedule 13.1

United Nations Operation in Côte d'Ivoire

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original Distribution (1)	*Redeployment* (2)	*Revised Distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total Expenditure* (6)	*Balance* (3-6)
Military and police personnel	242 439	(2 771)	239 668	221 308	18 162	239 470	198
Civilian personnel	91 471	(2 396)	89 075	85 677	1 973	87 650	1 425
Operational requirements	136 946	5 167	142 113	103 927	34 225	138 152	3 961
Subtotal	**470 856**	—	**470 856**	**410 912**	**54 360**	**465 272**	5 584
Prorated costs							
United Nations Logistics Base	3 197	—	3 197	3 197	—	3 197	—
Support account for peacekeeping operations	19 645	—	19 645	19 645	—	19 645	—
Subtotal	**22 842**	—	**22 842**	**22 842**	—	**22 842**	—
Total	**493 698**	—	**493 698**	**433 754**	**54 360**	**488 114**	5 584

Statement XIV

United Nations Stabilization Mission in Haiti (MINUSTAH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	561 345	510 395
Interest income	3 824	5 270
Other/miscellaneous income	644	384
Total income	**565 813**	**516 049**
Total expenditure(schedule 14.1)	**560 040**	**505 201**
Excess (shortfall) of income over expenditure	**5 773**	**10 848**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(3 476)	—
Prior-period adjustments	(1)	(4)
Net excess (shortfall) of income over expenditure	2 296	10 844
Cancellation of prior-period obligations	13 254	28 944
Credits returned to Member States[d]	(39 781)	(51 358)
Other adjustments to reserves and fund balances	—	(3 103)
Reserves and fund balances, beginning of period	36 688	51 361
Reserves and fund balances, end of period	**12 457**	**36 688**

Statement XIV (concluded)

United Nations Stabilization Mission in Haiti (MINUSTAH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	2 086	1 475
Cash pool[e]	35 192	71 969
Assessed contributions receivable from Member States[b]	76 529	79 451
Other accounts receivable	2 512	2 818
Deferred charges	241	361
Inter-office transactions pending processing	—	4
Total assets	**116 560**	**156 078**
Liabilities		
Contribution or payments received in advance	136	10
Unliquidated obligations-current period	52 209	69 604
Unliquidated obligations-prior periods	2 395	2 393
Accounts payable to Member States	31 047	36 052
Other accounts payable	8 904	4 219
Inter-fund balances payable	2 766	3 973
Deferred credits	67	35
Inter-office transactions pending processing	—	1
End-of-service liabilities[f]	6 579	3 103
Total liabilities	**104 103**	**119 390**
Reserves and fund balances		
Cumulative surplus	19 036	39 791
Deficit-end-of-service liabilities	(6 579)	(3 103)
Total reserves and fund balances	**12 457**	**36 688**
Total liabilities and reserves and fund balances	**116 560**	**156 078**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/261 of 20 June 2008, the total assessment on Member States was reduced by $39,781,200 comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $9,786,915, long-term investments of $25,213,953 (market value $25,014,199) and accrued interest receivable of $191,431.

[f] Represents accrued liabilities for unused vacation days of $3,617,230 and for repatriation benefits of $2,961,293. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 14.1

United Nations Stabilization Mission in Haiti

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	255 445	7 272	262 717	247 345	15 343	262 688	29
Civilian personnel	118 819	2 027	120 846	119 009	1 083	120 092	754
Operational requirements	161 109	(9 299)	151 810	115 505	35 783	151 288	522
Subtotal	**535 373**	—	**535 373**	**481 859**	**52 209**	**534 068**	**1 305**
Prorated costs							
United Nations Logistics Base	3 635	—	3 635	3 635	—	3 635	—
Support account for peacekeeping operations	22 337	—	22 337	22 337	—	22 337	—
Subtotal	**25 972**	—	**25 972**	**25 972**	—	**25 972**	
Total	**561 345**	—	**561 345**	**507 831**	**52 209**	**560 040**	**1 305**

Statement XV

United Nations Mission in the Sudan (UNMIS)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Assessed contributions[b]	887 332	1 126 296
Interest income	17 612	18 883
Other/miscellaneous income	680	950
Total income	**905 624**	**1 146 129**
Total expenditure (schedule 15.1)	**861 514**	**1 037 023**
Excess (shortfall) of income over expenditure	**44 110**	**109 106**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(4 118)	—
Prior-period adjustments	(3)	—
Net excess(shortfall) of income over expenditure	**39 989**	**109 106**
Cancellation of prior-period obligations	38 092	50 414
Credits returned to Member States[d]	(159 505)	(195 158)
Other adjustments to reserves and fund balances	—	(6 582)
Reserves and fund balances, beginning of period	152 937	195 157
Reserves and fund balances, end of period	**71 513**	**152 937**

Statement XV (concluded)

United Nations Mission in the Sudan (UNMIS)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	10 041	30 383
Cash pool[e]	298 842	447 429
Assessed contributions receivable from Member States[b]	29 350	62 106
Accounts receivable from Member States	446	—
Other accounts receivable	10 395	5 681
Inter-fund balances receivable	208	—
Deferred charges	174	1 261
Inter-office transactions pending processing	18	27
Total assets	**349 474**	**546 887**
Liabilities		
Contributions or payments received in advance	2 627	1
Unliquidated obligations-current period	94 528	272 636
Unliquidated obligations-prior periods	6 505	6 014
Accounts payable to Member States	104 257	77 963
Other accounts payable	59 307	21 573
Inter-fund balances payable	—	9 176
Deferred credits	36	5
Inter-office transactions pending processing	1	—
End-of-service liabilities[f]	10 700	6 582
Total liabilities	**277 961**	**393 950**
Reserves and fund balances		
Cumulative surplus	82 213	159 519
Deficit-end-of-service liabilities	(10 700)	(6 582)
Total reserves and fund balances	**71 513**	**152 937**
Total liabilities and reserves and fund balances	**349 474**	**546 887**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/267 of 20 June 2008, the total assessment on Member States was reduced by $159,505,000, comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $83,107,501, long-term investments of $214,109,210 (market value $212,412,958) and accrued interest receivable of $1,625,577.

[f] Represents accrued liabilities for unused vacation days of $6,972,617 and for repatriation benefits of $3,727,241. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 15.1

United Nations Mission in the Sudan

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	267 764	13 061	280 825	261 845	17 746	279 591	1 234
Civilian personnel	151 116	28 359	179 475	176 711	2 411	179 122	353
Operational requirements	427 397	(41 420)	385 977	287 375	74 371	361 746	24 231
Subtotal	**846 277**	—	**846 277**	**725 931**	**94 528**	**820 459**	**25 818**
Prorated costs							
United Nations Logistics Base	5 746	—	5 746	5 746	—	5 746	—
Support account for peacekeeping operations	35 309	—	35 309	35 309	—	35 309	—
Subtotal	**41 055**	—	**41 055**	**41 055**	—	**41 055**	—
Total	**887 332**	—	**887 332**	**766 986**	**94 528**	**861 514**	**25 818**

Statement XVI

United Nations Integrated Mission in Timor-Leste (UNMIT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*25 August 2006-30 June 2007*
Income		
Assessed contributions[b]	177 026	184 820
Interest income	2 477	1 030
Other/miscellaneous income	237	77
Total income	**179 740**	**185 927**
Total expenditure (schedule 16.1)	**170 063**	**146 849**
Excess (shortfall) of income over expenditure	**9 677**	**39 078**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(1 851)	—
Net excess (shortfall) of income over expenditure	**7 826**	**39 078**
Cancellation of prior-period obligations	4 800	—
Credits returned to Member States[d]	(39 078)	—
Other adjustments to reserves and fund balances	—	(1 396)
Reserves and fund balances, beginning of period	37 682	—
Reserves and fund balances, end of period	**11 230**	**37 682**

Statement XVI (concluded)

United Nations Integrated Mission in Timor-Leste (UNMIT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	1 106	3 347
Cash pool[e]	37 109	61 443
Assessed contributions receivable from Member States[b]	11 842	22 235
Accounts receivable from Member States	48	8
Other accounts receivable	491	1 267
Deferred charges	47	101
Inter-office transactions pending processing	65	4
Total assets	**50 708**	**88 405**
Liabilities		
Contributions or payments received in advance	40	—
Unliquidated obligations-current period	19 502	40 146
Unliquidated obligations-prior periods	607	—
Accounts payable to Member States	12 019	714
Other accounts payable	3 834	3 183
Inter-fund balances payable	220	5 283
Deferred credits	9	1
End-of-service liabilities[f]	3 247	1 396
Total liabilities	**39 478**	**50 723**
Reserves and fund balances		
Cumulative surplus	14 477	39 078
Deficit-end-of-service liabilities	(3 247)	(1 396)
Total reserves and fund balances	**11 230**	**37 682**
Total liabilities and reserves and fund balances	**50 708**	**88 405**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/258 of 20 June 2008, the total assessment on Member States was reduced by $39,078,000, comprising unencumbered balance and other income for the period ended 30 June 2007.

[e] Represents share of the cash pool and comprises cash and term deposits of $10,319,871, long-term investments of $26,587,003 (market value $26,376,371) and accrued interest receivable of $201,856.

[f] Represents accrued liabilities for unused vacation days of $1,499,584 and for repatriation benefits of $1,747,373. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 16.1

United Nations Integrated Mission in Timor-Leste

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	60 677	224	60 901	56 497	2 728	59 225	1 676
Civilian personnel	58 965	1 506	60 471	57 129	844	57 973	2 498
Operational requirements	49 954	(1 730)	48 224	29 505	15 930	45 435	2 789
Subtotal	**169 596**	—	**169 596**	**143 131**	**19 502**	**162 633**	**6 963**
Prorated costs							
United Nations Logistics Base	1 040	—	1 040	1 040	—	1 040	—
Support account for peacekeeping operations	6 390	—	6 390	6 390	—	6 390	—
Subtotal	**7 430**	—	**7 430**	**7 430**	—	**7 430**	—
Total	**177 026**	—	**177 026**	**150 561**	**19 502**	**170 063**	**6 963**

Statement XVII

United Nations Mission in the Central African Republic and Chad (MINURCAT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 March 2007-30 June 2007*
Income		
Assessed contributions[b]	183 558	—
Interest income	1 117	8
Total income	**184 675**	**8**
Total expenditure (schedule 17.1)	**165 184**	**1 114**
Excess (shortfall) of income over expenditure	**19 491**	**(1 106)**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(1 156)	—
Net excess (shortfall) of income over expenditure	**18 335**	—
Cancellation of prior-period obligations	271	—
Reserves and fund balances, beginning of period	(1 106)	—
Reserves and fund balances, end of period	**17 500**	**(1 106)**

Statement XVII (concluded)

United Nations Mission in the Central African Republic and Chad (MINURCAT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	5 921	35
Cash pool[a]	93 952	2 408
Assessed contributions receivable from Member States[b]	44 665	—
Other accounts receivable	3 454	40
Deferred charges	178	—
Inter-office transactions pending processing	6	—
Total assets	**148 176**	**2 483**
Liabilities		
Unliquidated obligations-current period	84 113	450
Other accounts payable	10 357	71
Inter-fund balances payable	35 017	68
Due to United Nations Peacekeeping Reserve Fund	—	3 000
Inter-office transactions pending processing	33	—
End-of-service liabilities[c]	1 156	—
Total liabilities	**130 676**	**3 589**
Reserves and fund balances		
Cumulative surplus	18 656	(1 106)
Deficit-end-of-service liabilities	(1 156)	—
Total reserves and fund balances	**17 500**	**(1 106)**
Total liabilities and reserves and fund balances	**148 176**	**2 483**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Represents share of the cash pool and comprises cash and term deposits of $26,127,726, long-term investments of $67,312,658 (market value $66,779,382) and accrued interest receivable of $511,057.

[e] Represents accrued liabilities for unused vacation days of $461,860 and for repatriation benefits of $694,000. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 17.1

United Nations Mission in the Central African Republic and Chad

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	6 931	—	6 931	4 326	1 125	5 451	1 480
Civilian personnel	28 011	(6 510)	21 501	14 771	1 239	16 010	5 491
Operational requirements	147 502	6 510	154 012	61 974	81 749	143 723	10 289
Total	**182 444**	—	**182 444**	**81 071**	**84 113**	**165 184**	**17 260**

Statement XVIII

African Union/United Nations Hybrid Operation in Darfur (UNAMID)[a, b]

Statement of income and expenditure and changes in reserves and fund balances for the period from 31 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period
	31 July 2007 to 30 June 2008
Income	
Assessed contributions[c]	1 275 654
Interest income	6 087
Other/miscellaneous income	181
Total income	**1 281 922**
Total expenditure (schedule 18.1)	**1 056 479**
Excess (shortfall) of income over expenditure	**225 443**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(3 907)
Net excess (shortfall) of income over expenditure	**221 536**
Reserves and fund balances, end of period	**221 536**

Statement XVIII (concluded)

African Union/United Nations Hybrid Operation in Darfur (UNAMID)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008
Assets	
Cash and term deposits	2 313
Cash pool[e]	621 520
Assessed contributions receivable from Member States[c]	344 605
Other accounts receivable	3 852
Deferred charges	262
Inter-office transactions pending processing	7
Total assets	**972 559**
Liabilities	
Contributions or payments received in advance	10
Unliquidated obligations-current period	600 942
Accounts payable to Member States	8 378
Other accounts payable	96 061
Inter-fund balances payable	41 725
End-of-service liabilities[f]	3 907
Total liabilities	**751 023**
Reserves and fund balances	
Cumulative surplus	225 443
Deficit end-of-service liabilities	(3 907)
Total reserves and fund balances	**221 536**
Total liabilities and reserves and fund balances	**972 559**

[a] See notes 2 and 3

[b] The Security Council, in its resolution 1769 (2007) of 31 July 2007, established UNAMID for an initial period of 12 months from 31 July 2007. The General Assembly, in its resolution 62/232 of 22 December 2007, appropriated an amount of $1,275,653,700 for the period from 1 July 2007 to 30 June 2008.

[c] Includes unpaid assessed contributions irrespective of collectability.

[d] Represents accrued end-of-service liabilities.

[e] Represents share of the cash pool and comprises cash and term deposits of $172,843,429, long-term investments of $445,295,183 (market value $441,767,392) and accrued interest receivable of $3,380,806.

[f] Represents accrued liabilities for unused vacation days of $2,263,136 and for repatriation benefits of $1,644,406. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 18.1

African Union/United Nations Hybrid Operation in Darfur

Expenditure for the period from 31 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Military and police personnel	279 576	—	279 576	168 204	69 663	237 867	41 709
Civilian personnel	113 026	—	113 026	62 235	2 138	64 373	48 653
Operational requirements	883 051	—	883 051	225 098	529 141	754 239	128 812
Total	**1 275 654**	—	**1 275 654**	**455 537**	**600 942**	**1 056 479**	**219 175**

Statement XIX

Technical Assessment Mission to the African Union Headquarters and Somalia[a,b]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 May 2007-30 June 2007*
Income	—	—
Total income	—	—
Total expenditure (schedule 19.1)	**2 104**	**45**
Excess (shortfall) of income over expenditure	**(2 104)**	**(45)**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(72)	—
Net excess (shortfall) of income over expenditure	**(2 176)**	**(45)**
Cancellation of prior-period obligations	12	—
Reserves and fund balances, beginning of period	(45)	—
Reserves and fund balances, end of period	**(2 209)**	**(45)**

Statement XIX (concluded)

Technical Assessment Mission to the African Union Headquarters and Somalia

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	18	—
Other accounts receivable	8	—
Total assets	**26**	**—**
Liabilities		
Unliquidated obligations-current period	86	13
Other accounts payable	4	3
Inter-fund balances payable	73	29
Due to United Nations Peacekeeping Reserve Fund	2 000	—
End-of-service liabilities[c]	72	—
Total liabilities	**2 235**	**45**
Reserves and fund balances		
Deficit	(2 137)	(45)
Deficit-end-of-service liabilities	(72)	—
Total reserves and fund balances	**(2 209)**	**(45)**
Total liabilities and reserves and fund balances	**26**	**—**

[a] See notes 2 and 3.

[b] On 20 February 2007 the Security Council authorized States Members of the African Union to establish a mission in Somalia for a period of six months and requested the Secretary-General to send a technical assessment mission to the African Union Headquarters and Somalia. Thereafter on 20 August 2007 and again on 20 February 2008, the Security Council authorized States Members of the African Union to maintain the mission in Somalia for further periods of six months each time.

[c] Represents accrued liabilities for unused vacation days of $4,711 and for repatriation benefits of $67,021.

The accompanying notes are an integral part of the financial statements.

Schedule 19.1

Technical Assessment Mission to the African Union Headquarters and Somalia

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Commitment authority[a]			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Civilian personnel	2 355	(324)	2 031	1 995	36	2 031	—
Operational requirements	—	324	324	23	50	73	251
Total	**2 355**	**—**	**2 355**	**2 018**	**86**	**2 104**	**251**

[a] Commitment authority of $2,400,000 was authorized for the period from 1 May 2007 to 30 June 2008. An amount of $45,000 was utilized for the period ended 20 June 2007, and the balance of $2,355,000 was available for the fiscal year from 1 July 2007 to 30 June 2008.

Statement XX

Peacekeeping Reserve Fund[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income		
Interest income	7 323	6 886
Total income	**7 323**	**6 886**
Total expenditure	**1**	**1**
Net excess (shortfall) of income over expenditure	**7 322**	**6 885**
Transfer to other funds[b]	(11 498)	(2 014)
Reserves and fund balances, beginning of period	161 968	157 097
Reserves and fund balances, end of period	**157 792**	**161 968**

Statement XX (concluded)

Peacekeeping Reserve Fund

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	36	49
Cash pool[c]	154 425	148 103
Assessed contributions receivable from Member States[d]	10	10
Due from the United Nations Mission in the Central African Republic	12 820	12 820
Due from the United Nations Mission in the Central African Republic and Chad	—	3 000
Due from the Technical Assessment Mission to the African Union Headquarters and Somalia	2 000	—
Total assets	**169 291**	**163 982**
Liabilities		
Inter-fund balances payable	11 499	2 014
Total liabilities	**11 499**	**2 014**
Reserves and fund balances		
Working capital funds	150 000	150 000
Cumulative surplus[e]	7 792	11 968
Total reserves and fund balances	**157 792**	**161 968**
Total liabilities and reserves and fund balances	**169 291**	**163 982**

[a] See notes 2 and 3.

[b] Under the terms of General Assembly resolution 62/250 of 20 June 2008, the excess balance in the Peacekeeping Reserve Fund of $5,083,000 for the period ending 30 June 2006 and an amount of $2,014,000 from the excess balance in the Peacekeeping Reserve Fund for the period ending 30 June 2007 were applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2007 to 30 June 2008. In addition, an amount of $4,401,400 from the excess balance in the Peacekeeping Reserve Fund for the period ending 30 June 2007 was applied to meet the requirements for the support account for peacekeeping operations for the period from 1 July 2006 to 30 June 2007.

[c] Represents share of the cash pool and comprises cash and term deposits of $42,945,193, long-term investments of $110,639,368 (market value $109,762,842) and accrued interest receivable of $840,005.

[d] Contributions assessed on Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 of 23 December 1992 establishing the Peacekeeping Reserve Fund.

[e] Under the terms of General Assembly resolution 62/250 of 20 June 2008, the remaining excess balance of $469,600 in the Peacekeeping Reserve Fund for the period ending 30 June 2007 will be applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2008 to 30 June 2009.

The accompanying notes are an integral part of the financial statements.

Statement XXI

Support account for peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*[b]
Income		
Allocation from other funds[c]	216 133	163,690
Interest income	3 248	2 716
Other/miscellaneous income	246	116
Total income	**219 627**	**166 522**
Total expenditure (schedule 21.1)	**222 451**	**177 695**
Excess (shortfall) of income over expenditure[d]	**(2 824)**	**(11 173)**
Non-budgeted accrued expenses for end-of-service liabilities[e]	(8 706)	—
Prior-period adjustments	—	(2 642)
Net excess (shortfall) of income over expenditure	**(11 530)**	**(13 815)**
Cancellation of prior-period obligations	3 503	1 569
Transfers from other funds[f]	4 401	—
Other adjustments to reserves and fund balances	—	(15 824)
Reserves and fund balances, beginning of period	(5 848)	22 222
Reserves and fund balances, end of period	**(9 474)**	**(5 848)**

Statement XXI (concluded)

Support account for peacekeeping operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	29	33
Cash pool[g]	36 791	41 994
Accounts receivable from Member States	1	13
Other accounts receivable	1 076	862
Deferred charges	1 488	1 168
Total assets	**39 385**	**44 070**
Liabilities		
Unliquidated obligations — current period	13 568	11 679
Unliquidated obligations — prior period	7	7
Accounts payable to Member States	8	—
Other accounts payable	10 448	6 752
Inter-fund balances payable	298	15 656
End-of-service liabilities[h]	24 530	15 824
Total liabilities	**48 859**	**49 918**
Reserves and fund balances		
Cumulative surplus	15 056	9 976
Deficit — end-of-service liabilities	(24 530)	(15 824)
Total reserves and fund balances	**(9 474)**	**(5 848)**
Total liabilities and reserves and fund balances	**39 385**	**44 070**

(Footnotes on following page)

(Footnotes to Statement XXI)

[a] See notes 2 and 3.

[b] Restated to conform to the current presentation.

[c] Represents allocations from other funds of the following amounts in order to meet the resources required for the support account for peacekeeping operations for the period from 1 July 2007 to 30 June 2008:

(i) An amount of $209,035,600 from the active peacekeeping missions under the terms of General Assembly resolution 61/279 of 29 June 2007;

(ii) An amount of $5,083,000 from the Peacekeeping Reserve Fund comprising the excess of the authorized level for the period ended 30 June 2006 under the terms of General Assembly resolution 62/250 of 20 June 2008;

(iii) An amount of $2,014,000 from the Peacekeeping Reserve Fund from the excess of the authorized level for the period ended 30 June 2007 under the terms of General Assembly resolution 62/250.

[d] Under the terms of General Assembly resolution 61/279, an amount of $14,377,300 in respect of the unencumbered balance and other income for the period ended 30 June 2006 is applied to meet the resources required for the period from 1 July 2007 to 30 June 2008. This amount is therefore sufficient to cover the shortfall of income over expenditure.

[e] Represents net increase in accrued end-of-service liabilities during the current period.

[f] Under the terms of General Assembly resolution 62/250, an amount of $4,401,400 in excess of the authorized level of the Peacekeeping Reserve Fund in respect of the period ended 30 June 2007 is applied to the resources required for the period from 1 July 2006 to 30 June 2007.

[g] Represents share of the cash pool and comprises cash and term deposits of $10,231,539, long-term investments of $26,359,435 (market value $26,150,606) and accrued interest receivable of $200,128.

[h] Represents accrued liabilities for unused vacation days of $11,569,070 and for repatriation benefits of $12,961,312. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 21.1

Support account for peacekeeping operations

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursement* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Civilian personnel	169 675	(8 009)	161 666	156 669	785	157 454	4 212
Operational requirements	60 835	8 009	68 844	52 214	12 783	64 997	3 847
Total	**230 510**	**—**	**230 510**	**208 883**	**13 568**	**222 451**	**8 059**

Statement XXII

United Nations Logistics Base (UNLB) at Brindisi, Italy[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Strategic deployment stock activities	*Other UNLB activities*	*2008 total*	*2007 total*[b]
Income				
Allocation from other funds	77 212[c]	34 014[d]	111 226	100 358
Interest income	—	2 571	2 571	2 045
Other/miscellaneous income	—	28	28	262
Total income	**77 212**	**36 613**	**113 825**	**102 665**
Total expenditure (schedule 22.1)	**55 417**	**40 201**	**95 618**	**70 147**
Excess (shortfall) of income over expenditure	**21 795**	**(3 588)**[e]	**18 207**	**32 518**
Non-budgeted accrued expenses for end-of-service liabilities[f]	—	(609)	(609)	—
Net excess (shortfall) of income over expenditure	**21 795**	**(4 197)**	**17 598**	**32 518**
Cancellation of prior-period obligations	4 213	433	4 646	4 893
Other adjustments to reserves and fund balances	—	—	—	(2 082)
Reserves and fund balances, beginning of period	55 189[g]	10 964	66 153	30 824
Reserves and fund balances, end of period	**81 197**	**7 200**	**88 397**	**66 153**

Statement XXII (concluded)

United Nations Logistics Base (UNLB) at Brindisi, Italy

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	921	604
Cash pool[h]	46 364	28 054
Assessed contributions receivable from Member States[i]	13 576	13 582
Other accounts receivable	1 212	28 398
Inter-fund balances receivable	74 279	34 881
Deferred charges	189	172
Inter-office transactions pending processing	—	27
Total assets	**136 541**	**105 718**
Liabilities		
Unliquidated obligations — current period	32 978	32 542
Other accounts payable	12 475	4 94
End-of-service liabilities[j]	2 691	2 082
Total liabilities	**48 144**	**39 565**
Reserves and fund balances		
Cumulative surplus — Strategic Deployment Stock activities	81 197	55 189
Cumulative surplus — other UNLB activities	9 891	13 046
Deficit — end-of-service liabilities	(2 691)	(2 082)
Total reserves and fund balances	**88 397**	**66 153**
Total liabilities and reserves and fund balances	**136 541**	**105 718**

[a] See notes 2 and 3.

[b] Restated to conform to the current presentation.

[c] Represents funding provided by peacekeeping and political missions, and by other entities, for transfer of strategic deployment stocks at replacement values.

[d] In accordance with General Assembly resolution 61/277 of 29 June 2007, part of the cost estimates amounting to $34,013,800 are allocated on a prorated basis among the individual active peacekeeping missions.

[e] Under the terms of General Assembly resolution 61/277, an amount of $6,365,800 in respect of the unencumbered balance and other income for the period ended 30 June 2006 is applied to meet the resources required for the period from 1 July 2007 to 30 June 2008. This amount is therefore sufficient to cover the shortfall of income over expenditure.

[f] Represents net increase in accrued end-of-service liabilities during the current period.

[g] See note 11.

[h] Represents share of the cash pool and comprises cash and term deposits of $12,893,821, long-term investments of $33,218,250 (market value $32,955,083) and accrued interest receivable of $252,202.

[i] Includes unpaid assessed contributions irrespective of collectability.

[j] Represents accrued end-of-service liabilities for unused vacation days of $1,842,622 and for repatriation benefits of $848,725. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 22.1

United Nations Logistics Base at Brindisi, Italy

Expenditure for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Appropriation [a]			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3-6)
Strategic deployment stock activities							
Replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions	132 401	—	132 401	29 505	25 912	55 417	76 984
Subtotal	**132 401**	—	**132 401**	**29 505**	**25 912**	**55 417**	**76 984**
Other UNLB activities							
Civilian personnel	18 350	1 381	19 731	19 721	9	19 730	1
Operational requirements	22 030	(1 381)	20 649	13 414	7 057	20 471	178
Subtotal	**40 380**	—	**40 380**	**33 135**	**7 066**	**40 201**	**179**
Total	**172 781**	—	**172 781**	**62 640**	**32 978**	**95 618**	**77 163**

[a] Appropriations do not apply to strategic deployment stock activities. Instead, funding for strategic deployment stocks is based on current period transfers to peacekeeping and political missions and to other entities, and fund balances brought forward from the preceding period.

Statement XXIII

After-service health insurance for peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2007 to 30 June 2008 as at 30 June 2008

(Thousands of United States dollars)

	Period	
	1 July 2007-30 June 2008	*1 July 2006-30 June 2007*
Income	—	—
Total income	—	—
Total expenditure	—	—
Excess (shortfall) of income over expenditure	—	—
Non-budgeted accrued expenses for post-retirement liabilities[b]	(20 892)	—
Net excess (shortfall) of income over expenditure	**(20 892)**	—
Other adjustments to reserves and fund balances	—	(389 000)
Reserves and fund balances, beginning of period	(389 000)	—
Reserves and fund balances, end of period	**(409 892)**	**(389 000)**

Statement XXIII (concluded)

After-service health insurance for peacekeeping operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets	—	—
Total assets	—	—
Liabilities		
Post-retirement liabilities[c]	409 892	389 000
Total liabilities	**409 892**	**389 000**
Reserves and fund balances		
Deficit — post-retirement liabilities	(409 892)	(389 000)
Total reserves and fund balances	**(409 892)**	**(389 000)**
Total liabilities and reserves and fund balances	—	—

[a] See notes 2 and 3.

[b] Represents net increase in accrued after-service health insurance liabilities during the current period.

[c] See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXIV

United Nations Operation in Burundi (ONUB)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 21 April 2004 to 31 December 2006 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	21 April 2004 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	819 080	—	131 964
Interest income	9 436	4 661	5 002
Other/miscellaneous income	763	697	406
Total income	**829 279**	**5 358**	**137 372**
Total expenditure	**720 257**	**—**	**121 960**
Excess (shortfall) of income over expenditure	**109 022**	**5 358**	**15 412**
Non-budgeted accrued expenses for end-of-service liabilities[c]	—	873	—
Prior-period adjustments[d]	(4)	(1 007)	(2)
Net excess (shortfall) of income over expenditure	**109 018**	**5 224**	**15 410**
Cancellation of prior-period obligations	31 836	3 526	15 321
Credits returned to Member States[e]	(110 124)	(30 730)	(100 654)
Other adjustments to reserves and fund balances	(932)	—	(932)
Reserves and fund balances, beginning of period	—	29 798	100 653
Reserves and fund balances, end of period	**29 798**	**7 818**	**29 798**

Statement XXIV (concluded)

United Nations Operation in Burundi (ONUB)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	35	1 568
Cash pool[f]	76 479	107 650
Assessed contributions receivable from Member States[b]	1 998	3 429
Accounts receivable from Member States	21	21
Other accounts receivable	141	1 920
Deferred charges	—	34
Inter-office transactions pending processing	29	57
Total assets	**78 703**	**114 679**
Liabilities		
Contributions or payments received in advance	9 149	10 057
Unliquidated obligations — current period	—	5 961
Unliquidated obligations — prior period	432	2 184
Accounts payable to Member States	60 469	62 435
Other accounts payable	387	1 230
Inter-fund balances payable	377	2 071
Deferred credits	8	10
Inter-office transactions pending processing	4	1
End-of-service liabilities[g]	59	932
Total liabilities	**70 885**	**84 881**
Reserves and fund balances		
Cumulative surplus	7 877	30 730
Deficit-end-of-service liabilities	(59)	(932)
Total reserves and fund balances	**7 818**	**29 798**
Total liabilities and reserves and fund balances	**78 703**	**114 679**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net decrease in the accrued end-of-service liabilities during the current period.

[d] Represents prior period expenditures for contingent-owned equipment charges of $594,882, for civilian personnel costs of $211,536, for audit fee of $181,783, and for miscellaneous charges of $18,855.

[e] Under the terms of General Assembly resolution 62/253 of 20 June 2008, the total assessment on Member States was reduced by $30,729,800, comprising unencumbered balance and other income in respect of the period ended 30 June 2007.

[f] Represents share of the cash pool and comprises cash and term deposits of $21,268,667, long-term investments of $54,794,302 (market value $54,360,201) and accrued interest receivable of $416,014.

[g] Represents accrued liabilities for unused vacation days of $15,294 and for repatriation benefits of $43,805. See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXV

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 13 July 1998 to 31 December 2005 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	13 July 1998 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	3 057 562	—	—
Voluntary contributions	3 391	—	—
Interest income	60 555	7 862	9 974
Other/miscellaneous income	12 088	79	821
Total income	**3 133 596**	**7 941**	**10 795**
Total expenditure	**2 915 326**	—	—
Excess (shortfall) of income over expenditure	**218 270**	**7 941**	**10 795**
Non-budgeted accrued expenses for end-of-service liabilities[c]	—	51	—
Prior-period adjustments[d]	(746)	(685)	(422)
Net excess (shortfall) of income over expenditure	**217 524**	**7 307**	**10 373**
Cancellation of prior-period obligations	216 532	417	2 029
Credits returned to Member States	(419 332)	—	(141 520)
Other adjustments to reserves and fund balances	(51)	—	(51)
Reserves and fund balances, beginning period	—	14 673	143 842
Reserves and fund balances, end of period	**14 673**	**22 397**	**14 673**

Statement XXV (concluded)

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	23	133
Cash pool[e]	109 102	188 552
Assessed contributions receivable from Member States[b]	6 746	7 326
Accounts receivable from Member States	13	14
Other accounts receivable	488	823
Inter-fund balances receivable	—	343
Deferred charges	—	6
Inter-office transactions pending processing	1	24
Total assets	**116 373**	**197 221**
Liabilities		
Contributions or payments received in advance	144	59
Unliquidated obligations — prior periods	924	1 344
Accounts payable to Member States	92 536	180 637
Other accounts payable	242	405
Inter-fund balances payable	120	—
Deferred credits	3	3
Inter-office transactions pending processing	7	49
End-of-service liabilities	—	51
Total liabilities	**93 976**	**182 548**
Reserves and fund balances		
Cumulative surplus	22 397	14 724
Deficit - end-of-service liabilities	—	(51)
Total reserves and fund balances	**22 397**	**14 673**
Total liabilities and reserves and fund balances	**116 373**	**197 221**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net decrease in the accrued end-of-service liabilities due to closure of the mission

[d] Represents prior period expenditures for audit fees of $273,030, for death and disability claims of $150,000 and for other expenses of $261,384.

[e] Represents share of the cash pool and comprises cash and term deposits of $30,340,972, long-term investments of $78,167,209 (market value $77,547,940) and accrued interest receivable of $593,467.

The accompanying notes are an integral part of the financial statements.

Statement XXVI

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 December 1999 to 20 May 2005 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 December 1999 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	1 999 127	—	—
Voluntary contributions	300	—	—
Interest income	25 618	753	900
Other income	9 460	101	31
Total income	**2 034 505**	**854**	**931**
Total expenditure	**1 884 556**	—	—
Excess (shortfall) of income over expenditure	**149 949**	**854**	**931**
Non-budgeted accrued expenses for end-of-service liabilities[c]	—	23	—
Prior-period adjustments	(300)	(8)	(17)
Net excess (shortfall) of income over expenditure	**149 649**	**869**	**914**
Cancellation of prior-period obligations	81 777	1 035	2 583
Credits returned to Member States[d]	(225 426)	27 983	(31 836)
Other adjustments to reserves and fund balances	(23)	—	(23)
Reserves and fund balances, beginning of period	—	5 977	34 339
Reserves and fund balances, end of period	**5 977**	**35 864**	**5 977**

Statement XXVI (concluded)

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	45	40
Cash pool[e]	13 012	15 760
Assessed contributions receivable from Member States[b]	33 114	24 985
Accounts receivable from Member States	337	339
Other accounts receivable	—	61
Total assets	**46 508**	**41 185**
Liabilities		
Contributions or payments received in advance	1 872	1 725
Unliquidated obligations — prior period	—	1 035
Accounts payable to Member States	8 609	31 584
Other accounts payable	20	40
Inter-fund balances payable	143	796
Deferred credits	—	5
End-of-service liabilities	—	23
Total liabilities	**10 644**	**35 208**
Reserves and fund balances		
Cumulative surplus	35 864	6 000
Deficit - end-of-service liabilities	—	(23)
Total reserves and fund balances	**35 864**	**5 977**
Total liabilities and reserves and fund balances	**46 508**	**41 185**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net decrease in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 62/257 of 20 June 2008, Member States were credited with net cash available in the amount of $3,853,000 as at 30 April 2008 from the unencumbered balance and other income in respect of the period ended 30 June 2006. In addition, the return of credits under the provision of General Assembly resolution 61/282 of 29 June 2007 with respect to the unencumbered balance and other income for the period ended 30 June 2006, amounting to $31,835,900, was suspended.

[e] Represents share of the cash pool and comprises cash and term deposits of $3,618,650, long-term investments of $9,322,701 (market value $9,248,843) and accrued interest receivable of $70,781.

The accompanying notes are an integral part of the financial statements.

Statement XXVII

United Nations Iraq-Kuwait Observation Mission (UNIKOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	9 April 1991 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	373 899	—	—
Voluntary contributions	339 827	—	—
Interest income	25 406	478	914
Other/miscellaneous income	7 079	—	9
Total income	**746 211**	**478**	**923**
Total expenditure	**647 152**	—	—
Excess (shortfall) of income over expenditure	**99 059**	**478**	**923**
Prior-period adjustments	(619)	(1)	(5)
Net excess (shortfall) of income over expenditure	**98 440**	**477**	**918**
Cancellation of prior-period obligations	23 512	—	—
Credits returned to Member States	(118 400)	—	(3 701)
Reserves and fund balances, beginning of period	—	3 552	6 335
Reserves and fund balances, end of period	**3 552**	**4 029**	**3 552**

Statement XXVII (concluded)

United Nations Iraq-Kuwait Observation Mission (UNIKOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	48	8
Cash pool[c]	5 553	13 626
Assessed contributions receivable from Member States[b]	683	689
Accounts receivable from Member States	—	1
Inter-fund balances receivable	—	6
Total assets	**6 284**	**14 330**
Liabilities		
Contributions or payments received in advance	21	21
Accounts payable to Member States	2 035	10 559
Other accounts payable	198	198
Inter-fund balances payable	1	—
Total liabilities	**2 255**	**10 778**
Reserves and fund balances		
Cumulative surplus	4 029	3 552
Total reserves and fund balances	**4 029**	**3 552**
Total liabilities and reserves and fund balances	**6 284**	**14 330**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net share of the cash pool and comprises cash and term deposits of $1,544,229, long-term investments of $3,978,384 (market value $3,946,866) and accrued interest receivable of $30,205.

The accompanying notes are an integral part of the financial statements.

Statement XXVIII

United Nations Mission in Bosnia and Herzegovina (UNMIBH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	1 127 149	—	—
Voluntary contributions	158	—	—
Interest income	19 151	1 000	961
Other/miscellaneous income	20 222	14	101
Total income	**1 166 680**	**1 014**	**1 062**
Total expenditure	**986 685**	—	—
Excess (shortfall) of income over expenditure	**179 995**	**1 014**	**1 062**
Prior-period adjustments	(968)	(1)	(40)
Net excess (shortfall) of income over expenditure	**179 027**	**1 013**	**1 022**
Cancellation of prior-period obligations	26 305	—	289
Credits returned to Member States	(156 864)	—	—
Reserves and fund balances, beginning of period	—	48 468	47 157
Reserves and fund balances, end of period	**48 468**	**49 481**	**48 468**

Statement XXVIII (concluded)

United Nations Mission in Bosnia and Herzegovina (UNMIBH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	14	9
Cash pool[c]	20 865	19 815
Assessed contributions receivable from Member States[b]	35 229	35 250
Accounts receivable from Member States	1	6
Inter-fund balances receivable	1	31
Total assets	**56 110**	**55 111**
Liabilities		
Contributions or payments received in advance	81	81
Accounts payable to Member States	6 486	6 486
Other accounts payable	62	76
Total liabilities	**6 629**	**6 643**
Reserves and fund balances		
Authorized retained surplus[d]	7 182	7 182
Cumulative surplus	42 299	41 286
Total reserves and fund balances	**49 481**	**48 468**
Total liabilities and reserves and fund balances	**56 110**	**55 111**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $5,802,541, long-term investments of $14,949,042 (market value $14,830,610) and accrued interest receivable of $113,497.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXIX

United Nations Mission of Observers in Tajikistan (UNMOT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 16 December 1994 to 15 May 2000 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	16 December 1994 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	72 145	—	—
Voluntary contributions	2 057	—	—
Interest income	4 090	258	250
Other/miscellaneous income	796	—	—
Total income	**79 088**	**258**	**250**
Total expenditure	**59 414**	**—**	**—**
Excess (shortfall) of income over expenditure	**19 674**	**258**	**250**
Prior-period adjustments	(997)	(1)	(1)
Net excess (shortfall) of income over expenditure	**18 677**	**257**	**249**
Cancellation of prior-period obligations	4 601	—	—
Credits returned to Member States	(20 556)	—	—
Reserves and fund balances, beginning of period	—	2 722	2 473
Reserves and fund balances, end of period	**2 722**	**2 979**	**2 722**

Statement XXIX (concluded)

United Nations Mission of Observers in Tajikistan (UNMOT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	20	12
Cash pool[c]	5 354	5 097
Assessed contributions receivable from Member States[b]	12	12
Inter-fund balances receivable	—	8
Total assets	**5 386**	**5 129**
Liabilities		
Accounts payable to Member States	2 407	2 407
Total liabilities	**2 407**	**2 407**
Reserves and fund balances		
Cumulative surplus	2 979	2 722
Total reserves and fund balances	**2 979**	**2 722**
Total liabilities and reserves and fund balances	**5 386**	**5 129**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,488,795, long-term investments of $3,835,572 (market value $3,805,185), and accrued interest receivable of $29,121.

The accompanying notes are an integral part of the financial statements.

Statement XXX

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1996 to 15 March 2000 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 July 1996 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	133 035	—	—
Voluntary contributions	4 766	—	—
Interest income	3 725	34	101
Other/miscellaneous income	3 943	—	29
Total income	**145 469**	**34**	**130**
Total expenditure	**123 566**	—	—
Excess (shortfall) of income over expenditure	**21 903**	**34**	**130**
Prior-period adjustments	(274)	(1)	(6)
Net excess (shortfall) of income over expenditure	**21 629**	**33**	**124**
Cancellation of prior-period obligations	4 630	—	—
Credits returned to Member States	(14 127)	—	—
Reserves and fund balances, beginning of period	—	12 132	12 008
Reserves and fund balances, end of period	**12 132**	**12 165**	**12 132**

Statement XXX (concluded)

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	11	50
Cash pool[c]	170	2 037
Assessed contributions receivable from Member States[b]	19 422	19 426
Accounts receivable from Member States	43	50
Inter-fund balances receivable	—	49
Total assets	**19 646**	**21 612**
Liabilities		
Contributions or payments received in advance	1	—
Accounts payable to Member States	114	114
Due to United Nations Mission in Haiti	7 366	9 366
Total liabilities	**7 481**	**9 480**
Reserves and fund balances		
Authorized retained surplus[d]	11 186	11 186
Cumulative surplus	979	946
Total reserves and fund balances	**12 165**	**12 132**
Total liabilities and reserves and fund balances	**19 646**	**21 612**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $47,429, long-term investments of $122,190 (market value $121,222) and accrued interest receivable of $928.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXI

United Nations Mission in the Central African Republic (MINURCA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 April 1998 to 15 February 2000 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	15 April 1998 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	123 075	—	—
Voluntary contributions	4 527	—	—
Interest income	975	14	3
Other/miscellaneous income	765	—	—
Total income	**129 342**	**14**	**3**
Total expenditure	**121 423**	—	—
Excess (shortfall) of income over expenditure	**7 919**	**14**	**3**
Prior-period adjustments	(143)	(9)	(1)
Net excess (shortfall) of income over expenditure	**7 776**	**5**	**2**
Cancellation of prior-period obligations	10 237	—	—
Credits returned to Member States	(6 284)	—	—
Reserves and fund balances, beginning of period	—	11 729	11 727
Reserves and fund balances, end of period	**11 729**	**11 734**	**11 729**

Statement XXXI (concluded)

United Nations Mission in the Central African Republic (MINURCA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	26	23
Cash pool[c]	44	32
Assessed contributions receivable from Member States[b]	35 563	35 566
Total assets	**35 633**	**35 621**
Liabilities		
Accounts payable to Member States	7 480	7 480
Inter-fund balances payable	149	142
Due to United Nations Peacekeeping Reserve Fund	12 820	12 820
Due to United Nations Mission in Haiti	3 200	3 200
Due to United Nations Peace Forces	250	250
Total liabilities	**23 899**	**23 892**
Reserves and fund balances		
Authorized retained surplus[d]	6 236	6 236
Cumulative surplus	5 498	5 493
Total reserves and fund balances	**11 734**	**11 729**
Total liabilities and reserves and fund balances	**35 633**	**35 621**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $12,289, long-term investments of $31,659 (market value $31,408) and accrued interest receivable of $240.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXII

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 3 January 1989 to 26 February 1999 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	3 January 1989 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	1 267 792	—	—
Funding from reserves and fund balances	12 458	—	—
Interest income	40 126	1 506	1,559
Other/miscellaneous income	31 415	—	10
Total income	**1 351 791**	**1 506**	**1,569**
Total expenditure	**1 205 792**	—	**2,422**
Excess (shortfall) of income over expenditure	**145 999**	**1 506**	**(853)**
Prior-period adjustments[c]	(24 543)	(107)	(339)
Net excess (shortfall) of income over expenditure	**121 456**	**1 399**	**(1 192)**
Cancellation of prior-period obligations	51 539	1 160	5
Credits returned to Member States	(95 681)	—	—
Transfer from reserves and fund balances	(12 458)	—	—
Reserves and fund balances, beginning of period	—	64 856	66 043
Reserves and fund balances, end of period	**64 856**	**67 415**	**64 856**

Statement XXXII (concluded)

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	32	16
Cash pool[d]	23 444	30 689
Assessed contributions receivable from Member States[b]	35 346	35 356
Accounts receivable from Member States	8 105	8 106
Other accounts receivable	434	434
Inter-fund balances receivable	55	262
Total assets	**67 416**	**74 863**
Liabilities		
Unliquidated obligations - current period	—	1 687
Accounts payable to Member States	1	8 320
Total liabilities	**1**	**10 007**
Reserves and fund balances		
Cumulative surplus	67 415	64 856
Total reserves and fund balances	**67 415**	**64 856**
Total liabilities and reserves and fund balances	**67 416**	**74 863**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period expenditures for civilian personnel costs of $106,421 and bank charges of $958.

[d] Represents share of the cash pool and comprises cash and term deposits of $6,519,869, long-term investments of $16,797,087 (market value $16,664,015) and accrued interest receivable of $127,528.

The accompanying notes are an integral part of the financial statements.

Statement XXXIII

United Nations Preventive Deployment Force (UNPREDEP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 15 October 1999 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	166 563	—	—
Voluntary contributions	2	—	—
Funding from reserves and fund balances	904	—	—
Interest income	20 636	865	838
Other/miscellaneous income	3 984	—	—
Total income	**192 089**	**865**	**838**
Total expenditure	**152 276**	—	—
Excess (shortfall) of income over expenditure	**39 813**	**865**	**838**
Prior-period adjustments	(235)	(1)	(1)
Net excess (shortfall) of income over expenditure	**39 578**	**864**	**837**
Cancellation of prior-period obligations	10 788	—	—
Credits returned to Member States	(38 489)	—	—
Transfer from reserves and fund balances	(904)	—	—
Reserves and fund balances, beginning of period	—	10 973	10 136
Reserves and fund balances, end of period	**10 973**	**11 837**	**10 973**

Statement XXXIII (concluded)

United Nations Preventive Deployment Force (UNPREDEP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	48	42
Cash pool[c]	18 030	17 166
Assessed contributions receivable from Member States[b]	1 271	1 273
Inter-fund balances receivable	—	4
Total assets	**19 349**	**18 485**
Liabilities		
Accounts payable to Member States	7 512	7 512
Total liabilities	**7 512**	**7 512**
Reserves and fund balances		
Cumulative surplus	11 837	10 973
Total reserves and fund balances	**11 837**	**10 973**
Total liabilities and reserves and fund balances	**19 349**	**18 485**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $5,014,141, long-term investments of $12,917,892 (market value $12,815,552) and accrued interest receivable of $98,076.

The accompanying notes are an integral part of the financial statements.

Statement XXXIV

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 January 1996 to 30 November 1998 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	15 January 1996 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	517 546	—	—
Voluntary contributions	298	—	—
Interest income	31 468	1 096	1,097
Other/miscellaneous income	4 168	—	10
Total income	**553 480**	**1 096**	**1 107**
Total expenditure	**461 345**	—	—
Excess (shortfall) of income over expenditure	**92 135**	**1 096**	**1 107**
Prior-period adjustments	(3 873)	(1)	(298)
Net excess (shortfall) of income over expenditure	**88 262**	**1 095**	**809**
Cancellation of prior-period obligations	32 771	—	—
Credits returned to Member States	(99 234)	—	—
Reserves and fund balances, beginning of period	—	21 799	20 990
Reserves and fund balances, end of period	**21 799**	**22 894**	**21 799**

Statement XXXIV (concluded)

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	5	30
Cash pool[c]	22 853	21 608
Assessed contributions receivable from Member States[b]	8 846	8 850
Inter-fund balances receivable	—	122
Total assets	**31 704**	**30 610**
Liabilities		
Accounts payable to Member States	8 810	8 811
Total liabilities	**8 810**	**8 811**
Reserves and fund balances		
Cumulative surplus	22 894	21 799
Total reserves and fund balances	**22 894**	**21 799**
Total liabilities and reserves and fund balances	**31 704**	**30 610**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $6,355,571, long-term investments of $16,373,808 (market value $16,244,088) and accrued interest receivable of $124,315.

The accompanying notes are an integral part of the financial statements.

Statement XXXV

United Nations Observer Mission in Liberia (UNOMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 September 1993 to 30 June 1998 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	22 September 1993 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	141 984	—	—
Interest income	5 419	386	379
Other/miscellaneous income	1 237	—	—
Total income	**148 640**	**386**	**379**
Total expenditure	**97 401**	**—**	**—**
Excess (shortfall) of income over expenditure	**51 239**	**386**	**379**
Prior-period adjustments	(786)	(1)	(73)
Net excess (shortfall) of income over expenditure	**50,453**	**385**	**306**
Cancellation of prior-period obligations	5 302	—	—
Credits returned to Member States	(51 329)	—	—
Reserves and fund balances, beginning of period	—	4 426	4 120
Reserves and fund balances, end of period	**4 426**	**4 811**	**4 426**

Statement XXXV (concluded)

United Nations Observer Mission in Liberia (UNOMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	19	16
Cash pool[c]	7 983	7 599
Assessed contributions receivable from Member States[b]	36	36
Inter-fund balances receivable	—	2
Total assets	**8 038**	**7 653**
Liabilities		
Contributions or payments received in advance	19	19
Accounts payable to Member States	3 208	3 208
Total liabilities	**3 227**	**3 227**
Reserves and fund balances		
Cumulative surplus	4 811	4 426
Total reserves and fund balances	**4 811**	**4 426**
Total liabilities and reserves and fund balances	**8 038**	**7 653**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $2,220,084, long-term investments of $5,719,585 (market value $5,674,272) and accrued interest receivable of $43,425.

The accompanying notes are an integral part of the financial statements.

Statement XXXVI

United Nations Peace Forces (UNPF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 12 January 1992 to 30 June 1997 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	12 January 1992 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	5 082 587	—	—
Voluntary contributions	37 360	—	—
Funding from reserves and fund balances	181 093	—	—
Interest income	68 865	4 681	3 843
Other/miscellaneous income	91 759	—	22
Total income	**5 461 664**	**4 681**	**3 865**
Total expenditure	**4 867 418**	—	—
Excess (shortfall) of income over expenditure	**594 246**	**4 681**	**3 865**
Prior-period adjustments	(1 243)	(6)	(153)
Net excess (shortfall) of income over expenditure	**593 003**	**4 675**	**3 712**
Cancellation of prior-period obligations	275 263	—	—
Credits returned to Member States	(325 452)	—	—
Transfer from reserves and fund balances	(181 093)	—	—
Transfer to other funds	(118 003)	—	—
Reserves and fund balances, beginning of period	—	243 718	240 006
Reserves and fund balances, end of period	**243 718**	**248 393**	**243 718**

Statement XXXVI (concluded)

United Nations Peace Forces (UNPF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	14	42
Cash pool[c]	88 273	102 944
Assessed contributions receivable from Member States[b]	144 140	144 480
Accounts receivable from Member States[d]	127 380	127 380
Inter-fund balances receivable	30	1 816
Due from United Nations Mission in the Central African Republic	250	250
Due from United Nations Mission for the Referendum in Western Sahara	14 000	5 500
Due from United Nations Interim Administration Mission in Kosovo	13 000	—
Total assets	**387 087**	**382 412**
Liabilities		
Accounts payable to Member States	11 314	11 314
Deferred credits[d]	127 380	127 380
Total liabilities	**138 694**	**138 694**
Reserves and fund balances		
Surplus to be transferred[e]	29 638	29 638
Cumulative surplus	218 755	214 080
Total reserves and fund balances	**248 393**	**243 718**
Total liabilities and reserves and fund balances	**387 087**	**382 412**

[a] See notes 2 and 3.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $24,548,583, long-term investments of $63,244,324 (market value $62,743,280) and accrued interest receivable of $480,169.

[d] In accordance with General Assembly resolution 51/12 A of 4 November 1996, represents expenditures totalling $127,379,954 which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits.

[e] Under the terms of General Assembly resolution 56/292 of 27 June 2002, $29,638,243 will be returned to Member States once their assessments for strategic deployment stocks are settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXVII

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 February to 31 May 1997 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	15 February 1997 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	4 000	—	—
Interest income	46	2	2
Other/miscellaneous income	83	—	—
Total income	**4 129**	**2**	**2**
Total expenditure	**3 946**	—	—
Excess (shortfall) of income over expenditure	**183**	**2**	**2**
Prior-period adjustments	(9)	(1)	(1)
Net excess (shortfall) of income over expenditure	**174**	**1**	**1**
Cancellation of prior-period obligations	138	—	—
Credits returned to Member States	(292)	—	—
Reserves and fund balances, beginning of period	—	20	19
Reserves and fund balances, end of period	**20**	**21**	**20**

Statement XXXVII (concluded)

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	1	1
Cash pool[c]	36	35
Assessed contributions receivable from Member States[b]	146	146
Total assets	**183**	**182**
Liabilities		
Inter-fund balances payable	162	162
Total liabilities	**162**	**162**
Reserves and fund balances		
Authorized retained surplus[d]	18	18
Cumulative surplus	3	2
Total reserves and fund balances	**21**	**20**
Total liabilities and reserves and fund balances	**183**	**182**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $10,121, long-term investments of $26,075 (market value $25,868) and accrued interest receivable of $198.

[d] See note 9.

The accompanying notes are integral part of the financial statements.

Statement XXXVIII

United Nations Mission in Haiti (UNMIH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	23 September 1993 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	357 541	—	—
Voluntary contributions	1	—	—
Interest income	38 401	2 452	2 305
Other/miscellaneous income	3 022	—	—
Total income	**398 965**	**2 452**	**2 305**
Total expenditure	**306 156**	—	—
Excess (shortfall) of income over expenditure	**92 809**	**2 452**	**2 305**
Prior-period adjustments	(1 790)	(1)	(119)
Net excess (shortfall) of income over expenditure	**91 019**	**2 451**	**2 186**
Cancellation of prior-period obligations	34 801	—	—
Credits returned to Member States	(54 765)	—	—
Transfer to other funds	(25 815)	—	—
Other adjustments to reserves and fund balances	22	—	—
Reserves and fund balances, beginning of period	—	45 262	43 076
Reserves and fund balances, end of period	**45 262**	**47 713**	**45 262**

Statement XXXVIII (concluded)

United Nations Mission in Haiti (UNMIH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	2007
Assets		
Cash and term deposits	41	35
Cash pool[c]	51 627	47 077
Assessed contributions receivable from Member States[b]	102	102
Accounts receivable from Member States	3	5
Due from United Nations Civilian Police Mission in Haiti	7 366	9 366
Due from United Nations Mission in the Central African Republic	3 200	3 200
Inter-fund balances receivable	—	103
Total assets	**62 339**	**59 888**
Liabilities		
Accounts payable to Member States	14 626	14 626
Total liabilities	**14 626**	**14 626**
Reserves and fund balances		
Surplus to be transferred[d]	14 112	14 112
Cumulative surplus	33 601	31 150
Total reserves and fund balances	**47 713**	**45 262**
Total liabilities and reserves and fund balances	**62 339**	**59 888**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $14,357,436, long-term investments of $36,988,949 (market value $36,695,909) and accrued interest receivable of $280,831.

[d] Under the terms of General Assembly resolution 56/292 of 27 June 2002, $14,111,772 will be returned to Member States once their assessment for strategic deployment stocks is settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXIX

United Nations Assistance Mission in Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 June 1993 to 19 April 1996 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	22 June 1993 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	512 318	—	—
Voluntary contributions	477	—	—
Interest income	22 830	1 411	1 361
Other/miscellaneous income	6 983	1	4
Total income	**542 608**	**1 412**	**1 365**
Total expenditure	**435 657**	**—**	**—**
Excess (shortfall) of income over expenditure	**106 951**	**1 412**	**1 365**
Prior-period adjustments	(27 064)	(1)	(33)
Net excess (shortfall) of income over expenditure	**79 887**	**1 411**	**1 332**
Cancellation of prior-period obligations	20 919	—	—
Credits returned to Member States	(37 111)	—	—
Transfer to other funds	(38 068)	—	—
Reserves and fund balances, beginning of period	—	25 627	24 295
Reserves and fund balances, end of period	**25 627**	**27 038**	**25 627**

Statement XXXIX (concluded)

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	13	28
Cash pool[c]	29 442	27 831
Assessed contributions receivable from Member States[b]	1 495	1 497
Inter-fund balances receivable	—	184
Total assets	**30 950**	**29 540**
Liabilities		
Accounts payable to Member States	3 912	3 913
Total liabilities	**3 912**	**3 913**
Reserves and fund balances		
Cumulative surplus	27 038	25 627
Total reserves and fund balances	**27 038**	**25 627**
Total liabilities and reserves and fund balances	**30 950**	**29 540**

[a] In accordance with Security Council resolution 846 (1993) of 22 June 1993, the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $8,187,736, long-term investments of $21,094,001 (market value $20,926,887), and accrued interest receivable of $160,152.

The accompanying notes are an integral part of the financial statements.

Statement XL

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 7 November 1989 to 31 May 1995 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	7 November 1989 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	238 987	—	—
Voluntary contributions	1 641	—	—
Interest income	4 928	291	272
Other/miscellaneous income	2 612	—	—
Total income	**248 168**	**291**	**272**
Total expenditure	**199 484**	**—**	**—**
Excess (shortfall) of income over expenditure	**48 684**	**291**	**272**
Prior-period adjustments	(1 040)	(1)	(1)
Net excess (shortfall) of income over expenditure	**47 644**	**290**	**271**
Cancellation of prior-period obligations	5 176	—	—
Credits returned to Member States	(48 868)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(258)	—	—
Reserves and fund balances, beginning of period	—	3 694	3 423
Reserves and fund balances, end of period	**3 694**	**3 984**	**3 694**

Statement XL (concluded)

United Nations Observer Mission in El Salvador (ONUSAL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	2	17
Cash pool[c]	6 286	5 097
Assessed contributions receivable from Member States[b]	373	2 062
Inter-fund balances receivable	—	25
Total assets	**6 661**	**7 201**
Liabilities		
Accounts payable to Member States	2 677	3 507
Total liabilities	**2 677**	**3 507**
Reserves and fund balances		
Cumulative surplus	3 984	3 694
Total reserves and fund balances	**3 984**	**3 694**
Total liabilities and reserves and fund balances	**6 661**	**7 201**

[a] In accordance with General Assembly resolution 47/223 of 16 March 1993, the operations of the United Nations Observer Group in Central America (ONUCA) have been incorporated into ONUSAL. See also notes 2 and 3.

[b] Include unpaid assessed contributions irrespective of collectability.

c Represents share of the cash pool and comprises cash and term deposits of $1,748,258, long-term investments of $4,504,023 (market value $4,468,341) and accrued interest receivable of $34,196.

The accompanying notes are an integral part of the financial statements.

Statement XLI

United Nations Operation in Mozambique (ONUMOZ)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	15 October 1992 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	561 098	—	—
Interest income	8 090	89	58
Other/miscellaneous income	4 334	—	—
Total income	**573 522**	**89**	**58**
Total expenditure	**492 556**	—	—
Excess (shortfall) of income over expenditure	**80 966**	**89**	**58**
Prior-period adjustments	(9 568)	(1)	(1)
Net excess (shortfall) of income over expenditure	**71 398**	**88**	**57**
Cancellation of prior-period obligations	24 501	—	—
Credits returned to Member States	(78 242)	—	—
Reserves and fund balances, beginning of period	—	17 657	17 600
Reserves and fund balances, end of period	**17 657**	**17 745**	**17 657**

Statement XLI (concluded)

United Nations Operation in Mozambique (ONUMOZ)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	25	24
Cash pool[c]	810	1 722
Assessed contributions receivable from Member States[b]	16 910	16 912
Other accounts receivable	1	1
Inter-fund balances receivable	—	199
Total assets	**17 746**	**18 858**
Liabilities		
Accounts payable to Member States	1	1 201
Total liabilities	**1**	**1 201**
Reserves and fund balances		
Authorized retained surplus[d]	17 208	17 208
Cumulative surplus	537	449
Total reserves and fund balances	**17 745**	**17 657**
Total liabilities and reserves and fund balances	**17 746**	**18 858**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $225,242, long-term investments of $580,290 (market value $575,693), and accrued interest receivable of $4,406.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLII

United Nations Operation in Somalia (UNOSOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 May 1992 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	1 738 202	—	—
Funding from reserves and fund balances	19 616	—	—
Interest income	9 781	193	150
Other/miscellaneous income	7 076	—	—
Total income	**1 774 675**	**193**	**150**
Total expenditure	**1 668 175**	**—**	**—**
Excess (shortfall) of income over expenditure	**106 500**	**193**	**150**
Prior-period adjustments	(9 128)	(1)	(26)
Net excess (shortfall) of income over expenditure	**97 372**	**192**	**124**
Cancellation of prior-period obligations	48 789	—	—
Credits returned to Member States	(83 930)	—	—
Transfer from other funds	103	—	—
Transfer from reserves and fund balances	(19 616)	—	—
Reserves and fund balances, beginning of period	—	42 718	42 594
Reserves and fund balances, end of period	**42 718**	**42 910**	**42 718**

Statement XLII (concluded)

United Nations Operation in Somalia (UNOSOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars).

	2008	*2007*
Assets		
Cash and term deposits	40	13
Cash pool[c]	4 235	3 203
Assessed contributions receivable from Member States[b]	58 376	58 555
Inter-fund balances receivable	—	688
Total assets	**62 651**	**62 459**
Liabilities		
Accounts payable to Member States	19 741	19 741
Total liabilities	**19 741**	**19 741**
Reserves and fund balances		
Authorized retained surplus[d]	37 563	37 563
Cumulative surplus	5 347	5 155
Total reserves and fund balances	**42 910**	**42 718**
Total liabilities and reserves and fund balances	**62 651**	**62 459**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,177,831, long-term investments of $3,034,437 (market value $3,010,397) and accrued interest receivable of $23,038.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLIII

United Nations Military Liaison Team in Cambodia (UNMLT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 November 1993 to 15 November 1994 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	15 November 1993 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	910	—	—
Interest income	117	12	12
Other/miscellaneous income	91	—	—
Total income	**1 118**	**12**	**12**
Total expenditure	**587**	—	—
Excess (shortfall) of income over expenditure	**531**	**12**	**12**
Prior-period adjustments	(11)	(1)	—
Net excess (shortfall) of income over expenditure	**520**	**11**	**12**
Cancellation of prior-period obligations	5	—	—
Credits returned to Member States	(375)	—	—
Reserves and fund balances, beginning of period	—	150	138
Reserves and fund balances, end of period	**150**	**161**	**150**

Statement XLIII (concluded)

United Nations Military Liaison Team in Cambodia (UNMLT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	34	24
Cash pool[c]	234	223
Assessed contributions receivable from Member States[b]	—	10
Total assets	**268**	**257**
Liabilities		
Accounts payable to Member States	107	107
Total liabilities	**107**	**107**
Reserves and fund balances		
Cumulative surplus	161	150
Total reserves and fund balances	**161**	**150**
Total liabilities and reserves and fund balances	**268**	**257**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $65,099, long-term investments of $167,714 (market value $166,385) and accrued interest receivable of $1,273.

The accompanying notes are an integral part of the financial statements.

Statement XLIV

United Nations Transitional Authority in Cambodia (UNTAC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 November 1991 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	1 599 916	—	—
Voluntary contributions	9 493	—	—
Interest income	7 537	53	28
Other/miscellaneous income	6 421	13	8
Total income	**1 623 367**	**66**	**36**
Total expenditure	**1 640 831**	**—**	**—**
Excess (shortfall) of income over expenditure	**(17 464)**	**66**	**36**
Prior-period adjustments[c]	(730)	(359)	—
Net excess (shortfall) of income over expenditure	**(18 194)**	**(293)**	**36**
Cancellation of prior-period obligations	28 435	—	—
Credits returned to Member States	(8 743)	—	—
Reserves and fund balances, beginning of period	—	1 498	1 462
Reserves and fund balances, end of period	**1 498**	**1 205**	**1 498**

Statement XLIV (concluded)

United Nations Transitional Authority in Cambodia (UNTAC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	22	20
Cash pool[d]	1 180	677
Assessed contributions receivable from Member States[b]	41 197	41 197
Accounts receivable from Member States	—	13
Inter-fund balances receivable	—	443
Total assets	**42 399**	**42 350**
Liabilities		
Accounts payable to Member States	41 194	40 839
Deferred credits	—	13
Total liabilities	**41 194**	**40 852**
Reserves and fund balances		
Authorized retained surplus[e]	818	818
Cumulative surplus	387	680
Total reserves and fund balances	**1 205**	**1 498**
Total liabilities and reserves and fund balances	**42 399**	**42 350**

[a] The special account of the United Nations Mission in Cambodia (UNAMIC) has been consolidated into the special account for the United Nations Transitional Authority in Cambodia (UNTAC). See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange of $355,336 due to the revaluation of an account payable to a Member State, prior-period expenditures for civilian personnel costs of $2,933 and bank charges of $849.

[d] Represents share of the cash pool and comprises cash and term deposits of $328,146, long-term investments of $845,401 (market value $838,703) and accrued interest receivable of $6,418.

[e] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLV

United Nations Transition Assistance Group (UNTAG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	1 April 1988 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	416 162	—	—
Voluntary contributions	23 736	—	—
Interest income	48 699	1 025	1 002
Other/miscellaneous income	13 387	–	–
Total income	**501 984**	**1 025**	**1 002**
Total expenditure	**374 185**	**—**	**—**
Excess (shortfall) of income over expenditure	**127 799**	**1 025**	**1 002**
Prior-period adjustments	(584)	(1)	(1)
Net excess (shortfall) of income over expenditure	**127 215**	**1 024**	**1 001**
Cancellation of prior-period obligations	32 016	—	—
Credits returned to Member States	(105 880)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(49 243)	—	—
Reserves and fund balances, beginning of period	—	4 108	3 107
Reserves and fund balances, end of period	**4 108**	**5 132**	**4 108**

Statement XLV (concluded)

United Nations Transition Assistance Group (UNTAG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	—	37
Cash pool[c]	17 141	20 517
Assessed contributions receivable from Member States[b]	21	24
Inter-fund balances receivable	3	—
Total assets	**17 165**	**20 578**
Liabilities		
Contributions or payments received in advance	3	3
Accounts payable to Member States	12 030	16 467
Total liabilities	**12 033**	**16 470**
Reserves and fund balances		
Cumulative surplus	5 132	4 108
Total reserves and fund balances	**5 132**	**4 108**
Total liabilities and reserves and fund balances	**17 165**	**20 578**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $4,766,849, long-term investments of $12,280,797 (market value $12,183,504) and accrued interest receivable of $93,239.

The accompanying notes are an integral part of the financial statements.

Statement XLVI

United Nations Iran-Iraq Military Observer Group (UNIIMOG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 August 1988 to 31 March 1991 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	9 August 1988 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	199 113	—	—
Voluntary contributions	14 715	—	—
Interest income	13 150	237	228
Other/miscellaneous income	12 054	–	–
Total income	**239 032**	**237**	**228**
Total expenditure	**177 895**	**—**	**—**
Excess (shortfall) of income over expenditure	**61 137**	**237**	**228**
Prior-period adjustments	222	(1)	(1)
Net excess (shortfall) of income over expenditure	**61 359**	**236**	**227**
Cancellation of prior-period obligations	4 997	—	—
Credits returned to Member States	(43 484)	—	—
Transfer to United Nations Peacekeeping Reserve Fund	(18 156)	—	—
Reserves and fund balances, beginning of period	—	4 716	4 489
Reserves and fund balances, end of period	**4 716**	**4 952**	**4 716**

Statement XLVI (concluded)

United Nations Iran-Iraq Military Observer Group (UNIIMOG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Cash and term deposits	42	41
Cash pool[c]	4 893	4 657
Assessed contributions receivable from Member States[b]	16	18
Inter-fund balances receivable	1	—
Total assets	**4 952**	**4 716**
Reserves and fund balances		
Cumulative surplus	4 952	4 716
Total reserves and fund balances	**4 952**	**4 716**
Total liabilities and reserves and fund balances	**4 952**	**4 716**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,360,606, long-term investments of $3,505,319 (market value $3,477,548), and accrued interest receivable of $26,313.

The accompanying notes are an integral part of the financial statements.

Statement XLVII

Special Account for the United Nations Emergency Force (UNEF) 1956[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 5 November 1956 to 30 June 1967 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	5 November 1956 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	166 375	—	—
Voluntary contributions	28 086	—	—
Proceeds from sale of United Nations bonds	19 207	—	—
Appropriated from United Nations Special Account	3 911	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	2 241	(2 949)	(1 424)
Total income	**219 820**	**(2 949)**	**(1 424)**
Total expenditure	**215 540**	—	—
Net excess (shortfall) of income over expenditure	**4 280**	**(2 949)**	**(1 424)**
Reserves and fund balances, beginning of period	—	4 280	5 704
Reserves and fund balances, end of period	**4 280**	**1 331**	**4 280**

Statement XLVII (concluded)

Special Account for the United Nations Emergency Force (UNEF) 1956

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Unpaid assessed contributions[b]	42 627	42 627
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorised expenditures over assessments and applied contributions	876	876
Inter-fund balances receivable	81	81
Total assets	**48 859**	**48 859**
Liabilities		
Accounts payable to Member States	25 985	23 036
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements[d]	10 415	10 415
Due to United Nations Special Account	1 932	1 932
Due to United Nations Bond Account	8 117	8 117
Total liabilities	**47 528**	**44 579**
Reserves and fund balances		
Cumulative surplus	1 331	4 280
Total reserves and fund balances	**1 331**	**4 280**
Total liabilities and reserves and fund balances	**48 859**	**48 859**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

[d] For 1965, $3,550,000 pursuant to section II of General Assembly resolution 2115 (XX) of 21 December 1965; for 1966, $3,550,000 pursuant to section III of the resolution; for 1967, $3,315,000 pursuant to resolution 2194 B (XXI) of 16 December 1966.

The accompanying notes are an integral part of the financial statements.

Statement XLVIII

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2008

(Thousands of United States dollars)

	Period		
	14 July 1960 to 30 June 2007	*1 July 2007 to 30 June 2008*	*1 July 2006 to 30 June 2007*
Income			
Assessed contributions[b]	241 549	—	—
Voluntary contributions	36 193	—	—
Proceeds from sale of United Nations bonds	110 726	—	—
Investment income	89	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	45 378	(181)	(143)
Total income	**433 935**	**(181)**	**(143)**
Total expenditure	**397 437**	—	—
Net excess (shortfall) of income over expenditure	**36 498**	**(181)**	**(143)**
Reserves and fund balances, beginning of period	—	36 498	36 641
Reserves and fund balances, end of period	**36 498**	**36 317**	**36 498**

Statement XLVIII (concluded)

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2008

(Thousands of United States dollars)

	2008	*2007*
Assets		
Unpaid assessed contributions[b]	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	6 687	6 687
Excess of authorised expenditures over assessments and applied voluntary contributions[d]	1 973	1 973
Inter-fund balances receivable	914	914
Total assets	**83 466**	**83 466**
Liabilities		
Accounts payable to Member States	7 406	7 225
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	1 560	1 560
Due to United Nations Special Account	1 397	1 397
Due to United Nations Bond Account	35 931	35 931
Total liabilities	**47 149**	**46 968**
Reserves and fund balances		
Cumulative surplus	36 317	36 498
Total reserves and fund balances	**36 317**	**36 498**
Total liabilities and reserves and fund balances	**83 466**	**83 466**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

[d] For 1961, $268,455; for the second half of 1963, $1,118,712; for the first half of 1964, $585,899.

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements for peacekeeping operations for the period from 1 July 2007 to 30 June 2008

Note 1
The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development programmes;

(iii) The universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2
Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the United Nations system accounting standards, as adopted by the United Nations System Chief Executives Board for Coordination. The Organization follows International Accounting Standard 1, "Presentation of financial statements", on the disclosure of accounting policies, as modified and adopted by the Chief Executives Board as follows:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The Organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) The financial period for peacekeeping operations is one year from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium and consists of two consecutive calendar years;

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (j) (ii) below applies;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rates of exchange for the last month of the financial period, a footnote will be provided quantifying the difference;

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(g) The cash flow statement is based on the indirect method of determining cash flow, as referred to in the United Nations system accounting standards;

(h) The Organization's financial statements are presented in accordance with the ongoing recommendations of the Task Force on Accounting Standards to the High-level Committee on Management of the Chief Executives Board;

(i) The results of the Organization's operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a combined basis after the elimination of all inter-fund balances and instances of double-counting of income and expenditure. Their presentation on a combined basis does not imply that the various separate funds can be intermingled in any way, since, normally, resources may not be utilized between funds;

(j) Income:

(i) Amounts necessary to finance the activities of peacekeeping operations are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the United Nations treaty bodies, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements;

(v) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vi) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(vii) Interest income includes all interest earned on deposits in various bank accounts and investment income earned on the cash pool. All realized losses and net unrealized losses on short-term investments in the cash pool are offset against investment income. Investment income and costs associated with operation of investments in the cash pool are allocated to participating funds;

(viii) Miscellaneous income includes income from rental of premises, sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency exchange adjustments except for those arising from revaluation of current period obligations as stated in paragraph (k) (i) below, settlements of insurance claims, amounts assessed on new Member States for the year of admission to the United Nations, amounts assessed on non-Member States as stated in paragraph (j) (iii) above, monies accepted for which no purpose was specified and other sundry income;

(ix) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred credits as referred to in paragraph (m) (iii) below;

(k) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements. Expenditures also include currency exchange adjustments arising from revaluation of current-period obligations;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when the property is acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges, as referred to in paragraph (l) (v) below;

(l) Assets:

(i) Cash and term deposits represent funds in demand deposit accounts and interest-bearing bank deposits;

(ii) The cash pool comprises participating funds' share of the cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the cash pool. The investments in the cash pool are similar in nature. Short-term investments are stated at cost or market value, whichever is lower; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The share in the cash pool is reported separately in each of the participating fund's statement, and its composition and the market value of its investments are disclosed in the footnotes to the individual statements;

(iii) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in collection of such assessments;

(iv) Inter-fund balances reflect transactions between funds, and are included in the amounts due to and from the General Fund. Inter-fund balances also reflect transactions directly with the General Fund. Inter-fund balances are settled periodically, depending upon the availability of cash resources;

(v) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vi) For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances are settled;

(vii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in notes to the financial statements;

(m) Liabilities and reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred credits include income received for future periods and income received but not yet earned;

(iv) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to peacekeeping operations remain valid for 12 months following the end of the financial period to which they relate. In accordance with financial regulation 5.5, unliquidated obligations of peacekeeping operations owed to Governments may be retained for an additional period of four years beyond the 12-month period provided for in financial regulation 5.3;

(v) Liabilities for the end-of-service and post-retirement benefits, comprising those for unused vacation days, repatriation benefits and after-service health insurance, are accrued and are included in the liabilities section of the statement of assets, liabilities and reserves and fund balances. As such liabilities are presently not funded, offsetting amounts are shown as deficits in the reserves and fund balances section of the statement of assets, liabilities and reserves and fund balances. See note 14.

(vi) Contingent liabilities, if any, are disclosed in notes to the financial statements;

(vii) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly has not invoked this provision.

Note 3
Accounting policies for peacekeeping operations

The accounts for the peacekeeping operations have been maintained in accordance with the provisions of the Financial Regulations and Rules of the United Nations, with due regard for the following:

(a) Financial regulation 1.2, which states that the financial period of peacekeeping operations with special accounts shall be one year, from 1 July to 30 June;

(b) Financial regulation 6.5, which states that the annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year;

(c) Financial regulation 5.5, which states that obligations to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the 12-month period provided for in financial regulation 5.3 if the requisite claims are not received or processed during the financial period to which they pertain. Those obligations shall remain valid for an additional period of four years following the end of the 12-month period provided for in financial regulation 5.3. At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the remaining balance of any appropriations retained shall be surrendered;

(d) Voluntary contributions:

(i) Voluntary contributions in cash shall be considered income to be credited to the special account of the peacekeeping operation;

(ii) Voluntary contributions in kind in the form of supplies and services shall be recorded as income under the heading "Voluntary contributions" at the time of delivery of supplies or commencement of services, provided budgetary provision for such supplies or services was made. In case there was no budgetary provision, no accounting entry shall be made, but the amount of the contribution shall be reflected in a footnote to the financial statements. The cost of facilities provided under an agreement with a Member State in whose country a peacekeeping operation is located is excluded from the determination of voluntary contributions;

(e) Peacekeeping Reserve Fund:

By its resolution 47/217 of 23 December 1992, the General Assembly established the Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The level of the Peacekeeping Reserve Fund was established at $150 million. In accordance with the aforementioned resolution, $49,242,762 was allocated from unencumbered balances in the special account of the United Nations Transition Assistance Group, $18,156,200 from unencumbered balances in the special account of the United Nations Iran-Iraq Military Observer Group and $82,601,038 from authorized retained savings in the General Fund.

Note 4
Explanatory notes on assessed contributions receivable

Assessed contributions receivable have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. Based on United Nations policy as stated in note 2 (l) (iii) above, no provision has been made for delays in the collection of outstanding assessed contributions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the General Assembly), in particular with respect to the following:

(a) To the extent that the amounts relate to expenditures under the Special Account for UNEF 1956 and under the Ad Hoc Account for ONUC, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of UNEF 1956 (statement XLVII) and ONUC (statement XLVIII) are estimated to be $38.6 million and $70.2 million, respectively. The estimate, which is based on the apportioned shares of the Member States concerned, excludes $5.3 million and $6.7 million in unpaid assessed contributions to UNEF 1956 and ONUC, respectively, by China for the period up to 24 October 1971. Following the adoption by the General Assembly of its resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations" of 25 October 1971, that amount was transferred to a special account pursuant to General Assembly resolution 3049 C (XXVII) of 19 December 1972;

(b) A Member State has stated that it does not intend to participate in the financing of UNEF 1973 and UNDOF. As a result, withholding by the Member State from payments for the financing of UNEF 1973 and UNDOF is estimated to be $0.1 million, which covers UNEF 1973 until its liquidation in 1979 and UNDOF to 30 June 2008. That amount excludes $36.0 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A of 10 December 1981;

(c) Certain Member States have stated that they do not intend to participate in the financing of UNIFIL. As a result, withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be $3.7 million. That estimate, which is based on the apportioned shares of the Member States concerned from the inception of UNIFIL on 19 March 1978 to 30 June 2008, excludes $19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(d) The status of unpaid assessed contributions as at 30 June 2008:

Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 2008 and on all outstanding balances due from each Member State is shown in the status of contributions report (ST/ADM/SER.B/751). The report for 30 June 2008 does not reflect any assessments or the application of credits returned to Member States that were approved by the General Assembly in late June. However, the financial statements include such late-June transactions, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 2008. As a result, in such cases the amounts shown as contributions outstanding from Member States as at 30 June 2008 in the status of contributions report may be lower or higher than the corresponding amounts included in financial statements as at 30 June 2008.

Note 5
Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I), assets, liabilities and reserves and fund balances (statement II) and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are broken down into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any other purpose than that for which it is authorized. The financial results of all peacekeeping operations are summarized in statements I, II and III. These are categorized as all active peacekeeping missions (statements IV-XIX), the Peacekeeping Reserve Fund (statement XX), the support account for peacekeeping operations (statement XXI), UNLB (statement XXII), after-service health insurance for peacekeeping operations (statement XXIII) and completed peacekeeping missions (statements XXIV-XLVIII);

(b) To comply with the uniform financial statement formats, statement I contains two calculations of the excess (shortfall) of income relative to expenditure. The first calculation is based on income and expenditure only for the current period. The second calculation shown is a net one, which includes non-budgeted accrued expenses for end-of-service and post retirement liabilities (see note 14), and any prior-period adjustments to income or expenditure.

Note 6
United Nations Peacekeeping Force in Cyprus (statement IV)

The General Assembly decided by resolution 47/236 of 14 September 1993 that, beginning on 16 June 1993, the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. Accordingly, from 16 June 1993 onwards, appropriations have been approved and assessments have been issued on the Member States in accordance with relevant General Assembly resolutions.

Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Member States for the financing of UNFICYP. The recording of expenditures for the period prior to 16 June 1993 was based on the total of pledged contributions. Obligations to be financed from such voluntary contributions for the period prior to 16 June 1993 totalled $243,701,489 and are reflected in footnote f/ to the UNFICYP financial statements (statement IV).

By its resolution 61/233 B of 29 June 2007, the General Assembly reconfirmed its previous resolution 47/236, in which it had decided that the costs of UNFICYP for the period beginning 16 June 1993 should be treated as expenses of the Organization to be borne by Member States.

Note 7

United Nations Emergency Force 1973 and United Nations Disengagement Observer Force (statement V)

The General Assembly has on a number of occasions authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNEF and UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83 of 15 December 1995, the authorized retained surplus of $64,931,001 was reduced proportionately by $15,321,728 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Under the terms of General Assembly resolution 53/226 of 8 June 1999, followed by its resolutions 54/266 of 15 June 2000 and 55/264 of 14 June 2001, the authorized retained surplus was further reduced by $13,622,162, leaving a balance of $35,987,111 as at 30 June 2008. This equals the amount held in the special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A (see note 4 (b)).

Note 8

United Nations Interim Force in Lebanon (statement VI)

The General Assembly, on a number of occasions, has authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83, those authorized retained surpluses of $108,461,935 were reduced proportionately by a total of $25,583,986 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Subsequently, under the terms of resolution 58/307 of 18 June 2004, the authorized retained surplus was further reduced by $63,312,709 representing the net accumulated surplus in the account of the Force from 1978 to 1993, leaving a balance of $19,565,240 as at 30 June 2008. This equals the amount held in the special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A (see note 4 (c)).

Note 9

Authorized retained surplus

The General Assembly decided, in its resolution 57/323 of 18 June 2003, to suspend financial regulation 5.5 for certain missions in the light of the cash shortages in those missions. Those missions are the Military Observer Group of MINUGUA (statement XXXVII); ONUMOZ (statement XLI); UNOSOM (statement XLII); UNSMIH, UNTMIH and MIPONUH (statement XXX); UNTAC (statement XLIV); and MINURCA (statement XXXI). By its resolution 59/302 of 22 June

2005, the General Assembly postponed the return of the net cash balance available as at 30 June 2004 for UNMIBH (statement XXVIII).

Note 10
Surplus to be transferred for strategic deployment stocks

Under the terms of General Assembly resolution 56/292 of 27 June 2002, amounts of $95,978,945 and $45,567,055 were authorized to be transferred from reserves and fund balances of UNPF (statement XXXVI) and UNMIH (statement XXXVIII), respectively, for strategic deployment stocks to be held in the UNLB account (statement XXII). Member States had the option either to transfer their share in the surpluses directly to UNLB or to have their shares returned to them upon settling a separate assessment for strategic deployment stocks. Some Member States opted to transfer their share in the surpluses directly to UNLB and, accordingly, surpluses of $54,690,848 and $25,815,321 were transferred directly from UNPF and UNMIH, respectively. Some Member States opted to settle a separate assessment for strategic deployment stocks and, accordingly, amounts of $11,649,854 and $5,639,962 from the surpluses of UNPF and UNMIH, respectively, were returned to those Member States. The remaining surpluses of $29,638,243 and $14,111,772 in UNPF and UNMIH, respectively, shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. Currently, $13,576,118 remains outstanding from Member States.

Note 11
Strategic deployment stocks

The General Assembly, in its resolution 56/292, authorized the purchase of strategic deployment stocks. In his report (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that received the stocks. In order to account for replenishment of strategic deployment stocks, a separate revolving fund has been established where all such transactions are recorded. The cumulative surplus at the end of the financial period, which incorporates such items as cancellation of prior-period obligations and timing differences between the recording of allocations upon transfer and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial period.

Note 12
Ageing of assessed contributions receivable

Assessed contributions receivable from Member States have been outstanding for the periods indicated in table V.1 below. On the basis of United Nations policy, no provision is made for delays in collection.

Table V.1
Outstanding contributions receivable
(Thousands of United States dollars)

Time outstanding	*Amount*
Less than six months	609 342
Six months to one year	317 153
One to two years	40 584
Over two years	609 422
Total	**1 576 501**

Note 13
Non-expendable property

(a) Table V.2 below shows the value of non-expendable property, at historical cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 2008. In accordance with United Nations accounting policies, non-expendable property is not included in the assets of the Organization, but is charged against the current appropriations when acquired.

Table V.2
Value of non-expendable property
(Thousands of United States dollars)

Peacekeeping mission	*2008*	*2007*
UNFICYP	16 548	15 353
UNDOF	35 961	35 594
UNIFIL	125 317	94 526
MINURSO	31 952	30 153
UNOMIG	21 658	21 125
UNAMSIL	155	490
UNMIK	100 522	106 572
MONUC	244 627	239 642
UNMEE	55 546	55 822
UNMIL	158 978	153 877
UNOCI	100 727	94 281
MINUSTAH	94 472	79 377
ONUB	437	21 900
UNMIS	296 682	257 779
UNMIT	48 804	36 643
MINURCAT	22 340	—
UNAMID	60 311	—
UNLB	59 256	54 125

Peacekeeping mission	*2008*	*2007*
UNLB — strategic deployment stocks	87 645[a]	88 903
Total	**1 561 938**	**1 386 162**

[a] In addition to non-expendable property, overall strategic deployment stocks also included expendable property valued at $9,308,344 as at 30 June 2008.

(b) The movement in non-expendable property is summarized in table V.3 below:

Table V.3
Movement in non-expendable property
(Thousands of United States dollars)

	Amount
Balance as at 1 July 2007	1 386 162
Acquisitions	226 070
Less: write-offs — accidents, malfunctions, losses and other	(11 077)
Less: normal wear and tear, obsolescence, dispositions and other	(39 217)
Balance as at 30 June 2008	**1 561 938**

Note 14
Liabilities for end-of-service and post-retirement benefits

(a) At end of service, eligible staff members are entitled to be paid for unused vacation days up to a maximum of 60 days and repatriation benefits based on the number of years of service, which are considered as end-of-service benefits, and are entitled to after-service health insurance coverage, which is considered a post-retirement benefit.

(b) The accrued liabilities for unused vacation days and repatriation benefits are shown as liabilities in the financial statements of the individual missions, the support account for peacekeeping operations, and UNLB, as applicable. The accrued liabilities for after-service health insurance are shown as liabilities in the after-service health insurance for peacekeeping operations financial statement, statement XXIII.

(c) As budgetary provisions for end-of-service and post-retirement liabilities have not been made, the resulting deficits are shown in a separate line in the reserves and fund balances section of the statements of assets, liabilities and reserves and fund balances. Further, the net change in these liabilities during the year ended 30 June 2008 is shown in a separate line as "non-budgeted accrued expenses" in the statement of income and expenditure and changes in reserves and fund balances.

(d) In order to gain a better understanding of the financial dimensions of the Organization's liabilities for after-service health insurance, which is a defined benefit plan, a consulting actuary was engaged to carry out an actuarial valuation of after-service health insurance benefits as at 31 December 2007. The major assumptions used by the actuary were a discount rate of 5.5 per cent; health-care escalation rates of 9.5 per cent in 2008, grading down to 5.0 per cent in 2015 and later years for United States medical plans, and 5.7 per cent in 2008, grading down to 4.5 per cent in 2012 and later years for medical plans outside the United States; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund in making its own actuarial valuation. On the basis of these assumptions, it is estimated that the present value of the Organization's accrued liabilities, net of retiree contributions, as at 31 December 2007 for after-service health insurance benefits was $2,430,870,000, and the portion thereof that pertained to peacekeeping operations was estimated at $389,616,000. Accrued liabilities represent benefits that have accrued from the staff members' dates of entry on duty till the valuation date. Active staff members' benefits are fully accrued on the date on which they become fully eligible for benefits.

The accrued liabilities for peacekeeping operations of $389,616,000 as of 31 December 2007 has been rolled forward to 30 June 2008, and estimated at $409,892,000, which is shown in the after-service health insurance for peacekeeping operations financial statement, statement XXIII.

Annex I

Peacekeeping operations funded by the regular budget: status of appropriations by major object of expenditure for the six-month period of the biennium 2008-2009 ended 30 June 2008

(Thousands of United States dollars)

Programme	*Appropriation*[a]	*Salaries and related costs*	*Travel*	*Contractual services*	*Operating expenses and supplies*	*Acquisitions*	*All other expenses*	*Total expenditure*	*Unencumbered balance*
Department of Peacekeeping Operations									
Executive direction and management	1 253	289	27	—	1	—	—	317	936
Programme of work	7 605	1 710	91	—	—	—	—	1 801	5 804
Programme support	1 605	180	—	61	163	64	—	468	1 137
Department of Field Support									
Executive direction and management	847	312	32	—	—	—	—	344	503
Programme of work	6 929	1 548	22	—	—	—	—	1 570	5 359
Peacekeeping missions[b]									
UNTSO	66 217	12 740	747	—	1 857	511	—	15 855	50 362
UNMOGIP	16 957	2 616	371	—	1 121	84	—	4 192	12 765
Total	**101 413**	**19 395**	**1 290**	**61**	**3 142**	**659**	—	**24 547**	**76 866**

[a] Appropriation is for the biennium 2008-2009.

[b] Funded by the regular budget.

Annex II

Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2008

(Thousands of United States dollars)

Trust fund	*Reserves and fund balances, beginning of period*	*Income*	*Expenditures, transfers and adjustments*	*Reserves and fund balances, end of period*
Trust Fund in Support of the Delimitation and Demarcation of the Ethiopia Eritrea Border	5 047	251	590	4 708
Trust Fund to Support the Peace Process in Ethiopia and Eritrea	1 113	60	—	1 173
Cambodia Trust Fund	1 151	62	—	1 213
Trust Fund for Somalia-Unified Command	338	19	—	357
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	1 427	154	526	1 055
Trust Fund for Police Assistance Programme in Bosnia and Herzegovina	696	38	—	734
Trust Fund to Support Public Information and Related Efforts in United Nations Peacekeeping Operations	11	1	—	12
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	8 119	2 674	2 425	8 368
Trust Fund for Activities Related to Administrative and Budgetary Aspects of Peacekeeping Operations	1	—	—	1
Trust Fund in Support of the Department of Peacekeeping Operations	5 249	2 349	4 014	3 584
Trust Fund for the Rapidly Deployable Mission Headquarters	870	47	—	917
Trust Fund to Support the Peace Process in the Democratic Republic of Congo	1 749	89	821	1 017
Trust Fund to Support the United Nations Interim Administration in Kosovo	1 371	1 617	2 032	956
Trust Fund to Support the Ituri Pacification Commission	6	—	—	6
Trust Fund in Support of the Peace Process in the Sudan	60	395	35	420
Trust Fund for the African Union-United Nations Joint Mediation Support Team for Darfur	—	14 464	2 388	12 076
Trust Fund for the Support of the Activities of the United Nations Mission in the Central African Republic and Chad	—	14 039	2 295	11 744
Total	**27 208**	**36 259**	**15 126**	**48 341**

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A/63/5 (Vol. II)